

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the Quarterly Period Ended May 4, 2024

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____.

Commission File No. 001-39589



Academy Sports and Outdoors, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

85-1800912

(I.R.S. Employer
Identification No.)

1800 North Mason Road
Katy, Texas 77449

(Address of principal executive offices) (Zip Code)

(281) 646-5200

(Registrant's Telephone Number, including Area Code)

Not applicable

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$0.01 per share	ASO	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Non-accelerated filer

Accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of June 4, 2024, Academy Sports and Outdoors, Inc. had 72,125,426 shares of common stock, par value \$0.01 per share, outstanding.

ACADEMY SPORTS AND OUTDOORS, INC.
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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

ACADEMY SPORTS AND OUTDOORS, INC.
CONSOLIDATED BALANCE SHEETS
(Unaudited)
(Dollar amounts in thousands, except per share data)

	May 4, 2024	February 3, 2024	April 29, 2023
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	\$ 378,145	\$ 347,920	\$ 295,536
Accounts receivable - less allowance for doubtful accounts of \$1,817, \$2,217 and \$2,286, respectively	13,700	19,371	10,412
Merchandise inventories, net	1,356,811	1,194,159	1,386,457
Prepaid expenses and other current assets	68,320	83,450	34,622
Assets held for sale	—	—	1,763
Total current assets	1,816,976	1,644,900	1,728,790
PROPERTY AND EQUIPMENT, NET	456,594	445,209	365,024
RIGHT-OF-USE ASSETS	1,116,222	1,111,237	1,087,854
TRADE NAME	578,364	578,236	577,799
GOODWILL	861,920	861,920	861,920
OTHER NONCURRENT ASSETS	43,803	35,211	20,547
Total assets	\$ 4,873,879	\$ 4,676,713	\$ 4,641,934
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Accounts payable	\$ 735,563	\$ 541,077	\$ 712,643
Accrued expenses and other current liabilities	262,048	217,932	221,388
Current lease liabilities	121,465	117,849	112,333
Current maturities of long-term debt	3,000	3,000	3,000
Total current liabilities	1,122,076	879,858	1,049,364
LONG-TERM DEBT, NET	484,084	484,551	584,093
LONG-TERM LEASE LIABILITIES	1,098,799	1,091,294	1,058,869
DEFERRED TAX LIABILITIES, NET	253,069	254,796	257,120
OTHER LONG-TERM LIABILITIES	10,330	11,564	11,526
Total liabilities	2,968,358	2,722,063	2,960,972
COMMITMENTS AND CONTINGENCIES (NOTE 10)			
STOCKHOLDERS' EQUITY:			
Preferred stock, \$0.01 par value, authorized 50,000,000 shares; none issued and outstanding	—	—	—
Common stock, \$0.01 par value, authorized 300,000,000 shares; 72,590,530; 74,349,927 and 76,439,594 issued and outstanding as of May 4, 2024, February 3, 2024 and April 29, 2023, respectively.	726	743	764
Additional paid-in capital	240,559	242,098	229,633
Retained earnings	1,664,236	1,711,809	1,450,565
Stockholders' equity	1,905,521	1,954,650	1,680,962
Total liabilities and stockholders' equity	\$ 4,873,879	\$ 4,676,713	\$ 4,641,934

See Condensed Notes to Consolidated Financial Statements

ACADEMY SPORTS AND OUTDOORS, INC.
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(Amounts in thousands, except per share data)

	Thirteen Weeks Ended	
	May 4, 2024	April 29, 2023
NET SALES	\$ 1,364,220	\$ 1,383,609
COST OF GOODS SOLD	908,427	916,494
GROSS MARGIN	455,793	467,115
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	353,410	340,919
OPERATING INCOME	102,383	126,196
INTEREST EXPENSE, NET	9,486	11,230
WRITE OFF OF DEFERRED LOAN COSTS	449	—
OTHER (INCOME), NET	(5,204)	(3,713)
INCOME BEFORE INCOME TAXES	97,652	118,679
INCOME TAX EXPENSE	21,187	24,709
NET INCOME	\$ 76,465	\$ 93,970
EARNINGS PER COMMON SHARE:		
BASIC	\$ 1.03	\$ 1.22
DILUTED	\$ 1.01	\$ 1.19
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:		
BASIC	73,993	76,862
DILUTED	75,798	79,288

See Condensed Notes to Consolidated Financial Statements

ACADEMY SPORTS AND OUTDOORS, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)
(Amounts in thousands, except per share data)

	Common Stock		Additional Paid-In Capital	Retained Earnings	Total Stockholders' Equity
	Shares	Amount			
Balances as of February 3, 2024	74,350	\$ 743	\$ 242,098	\$ 1,711,809	\$ 1,954,650
Net income	—	—	—	76,465	76,465
Equity compensation	—	—	6,138	—	6,138
Repurchase of common stock for retirement	(1,984)	(19)	(7,625)	(115,856)	(123,500)
Settlement of vested Restricted Stock Units, net of shares withheld	98	1	(2,798)	—	(2,797)
Stock option exercises, net of shares withheld	127	1	2,746	—	2,747
Cash dividends declared, \$0.11 per share	—	—	—	(8,182)	(8,182)
Balances as of May 4, 2024	72,591	\$ 726	\$ 240,559	\$ 1,664,236	\$ 1,905,521

	Common Stock		Additional Paid-In Capital	Retained Earnings	Total Stockholders' Equity
	Shares	Amount			
Balances as of January 28, 2023	76,712	\$ 767	\$ 216,209	\$ 1,411,330	\$ 1,628,306
Net income	—	—	—	93,970	93,970
Equity compensation	—	—	11,382	—	11,382
Repurchase of common stock for retirement	(750)	(8)	(2,450)	(47,806)	(50,264)
Settlement of vested Restricted Stock Units, net of shares withheld	93	1	(2,470)	—	(2,469)
Stock option exercises, net of shares withheld	385	4	6,962	—	6,966
Cash dividends declared, \$0.09 per share	—	—	—	(6,929)	(6,929)
Balances as of April 29, 2023	76,440	\$ 764	\$ 229,633	\$ 1,450,565	\$ 1,680,962

See Condensed Notes to Consolidated Financial Statements

ACADEMY SPORTS AND OUTDOORS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(Amounts in thousands)

	Thirteen Weeks Ended	
	May 4, 2024	April 29, 2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 76,465	\$ 93,970
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	28,853	26,261
Non-cash lease expense	6,137	2,165
Equity compensation	6,138	11,382
Amortization of deferred loan and other costs	624	674
Deferred income taxes	(1,726)	(1,923)
Write off of deferred loan costs	449	—
Changes in assets and liabilities:		
Accounts receivable, net	5,671	6,091
Merchandise inventories, net	(162,652)	(102,940)
Prepaid expenses and other current assets	15,129	13,125
Other noncurrent assets	(3,392)	(3,215)
Accounts payable	186,475	26,776
Accrued expenses and other current liabilities	20,819	(31,673)
Income taxes payable	21,922	12,642
Other long-term liabilities	(1,235)	(1,200)
Net cash provided by operating activities	<u>199,677</u>	<u>52,135</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(32,227)	(40,464)
Purchases of intangible assets	(128)	(83)
Net cash used in investing activities	<u>(32,355)</u>	<u>(40,547)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from Revolving Credit Facilities	3,900	—
Repayment of Revolving Credit Facilities	(3,900)	—
Repayment of Term Loan	(750)	(750)
Debt issuance fees	(5,690)	—
Proceeds from exercise of stock options	2,789	7,090
Taxes paid related to net share settlement of equity awards	(2,839)	(2,593)
Repurchase of common stock for retirement	(122,425)	(50,015)
Dividends paid	(8,182)	(6,929)
Net cash used in financing activities	<u>(137,097)</u>	<u>(53,197)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	30,225	(41,609)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	347,920	337,145
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$ 378,145</u>	<u>\$ 295,536</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid for interest	\$ 2,767	\$ 4,696
Cash paid for income taxes	\$ 11	\$ 67
SUPPLEMENTAL DISCLOSURES OF NON-CASH ACTIVITIES:		
Non-cash capital expenditures	\$ 14,698	\$ 603
Right-of-use assets obtained in exchange for new operating leases	\$ 39,569	\$ 14,254

See Condensed Notes to Consolidated Financial Statements

ACADEMY SPORTS AND OUTDOORS, INC.
CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Nature of Operations

The Company

All references to "we," "us," "our" or the "Company" in the financial statements refer to Academy Sports and Outdoors, Inc., a Delaware corporation ("ASO, Inc.") and the current parent holding company of our operations, and its consolidated subsidiaries. We conduct our operations primarily through our parent holding company's indirect subsidiary, Academy, Ltd., a Texas limited partnership doing business as "Academy Sports + Outdoors", or Academy, Ltd. All of the Company's sales and business operations occur at Academy, Ltd., and Academy, Ltd. is also the borrower and/or issuer of the Company's long-term debt and lessee of facilities. Our fiscal year represents the 52 or 53 weeks ending on the Saturday closest to January 31.

The Company is a leading full-line sporting goods and outdoor recreational products retailer in the United States in terms of net sales. As of May 4, 2024, we operated 284 "Academy Sports + Outdoors" retail locations in 18 states and three distribution centers located in Katy, Texas, Twiggs County, Georgia and Cookeville, Tennessee. We also sell merchandise to customers across most of the United States via our *academy.com* website.

2. Summary of Significant Accounting Policies

The accompanying unaudited financial statements of the Company have been prepared as though they were required to be in accordance with Rule 10-01 of Regulation S-X for interim financial statements, however, they do not include all information and footnotes required by United States generally accepted accounting principles ("GAAP") for complete financial statements. Certain information and footnote disclosures normally included in our annual consolidated financial statements prepared in accordance with GAAP have been condensed or omitted. However, we believe that the disclosures included herein are adequate to make the information presented not misleading. These condensed consolidated financial statements should be read in conjunction with our audited consolidated financial statements and the notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended February 3, 2024, as filed with the Securities and Exchange Commission on March 21, 2024 (the "Annual Report"). The information furnished herein reflects all normal recurring adjustments which are, in the opinion of management, necessary for a fair presentation of the results for the interim periods presented. The results of operations for the thirteen weeks ended May 4, 2024 are not necessarily indicative of the results that will be realized for the fiscal year ending February 1, 2025 or any other period. The balance sheet as of February 3, 2024 has been derived from our audited financial statements as of that date. For further information, refer to our audited financial statements and notes thereto included in the Annual Report.

Basis of Presentation and Principles of Consolidation

These unaudited condensed consolidated financial statements include the accounts of ASO, Inc. and its subsidiaries, New Academy Holding Company, LLC ("NAHC"), Academy Managing Co., L.L.C., Associated Investors, L.L.C., Academy, Ltd., the Company's operating company, Academy Procurement Co., LLC, and Academy International Limited. NAHC, Academy Managing Co., LLC, and Associated Investors, LLC are intermediate holding companies. All intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with GAAP requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Our management bases its estimates on historical experience and other assumptions it believes to be reasonable under the circumstances. Actual results could differ significantly from those estimates. Our most significant estimates and assumptions that materially affect the financial statements involve difficult, subjective or complex judgments by management, including the valuation of merchandise inventories and performing goodwill, intangible and long-lived asset impairment analyses.

Reclassifications

Within the merchandise division sales table presented in Note 3, certain products and categories were recategorized amongst various categories and divisions, respectively, to better align with our current merchandising strategy and view of the business. As a result, we have reclassified sales between divisions in the thirteen weeks ended April 29, 2023 for comparability purposes. This reclassification is in divisional presentation only and did not impact the overall net sales balances previously disclosed.

Share Repurchases

On September 2, 2021, the Board of Directors of the Company authorized a share repurchase program (the "2021 Share Repurchase Program") under which the Company may purchase up to \$500 million of its outstanding shares during the three-year period ending September 2, 2024. On June 2, 2022, the Board of Directors of the Company authorized a new share repurchase program (the "2022 Share Repurchase Program") under which the Company may purchase up to \$600 million of its outstanding shares during the three-year period ending June 2, 2025. On November 29, 2023, the Board of Directors authorized a new share repurchase program (the "2023 Share Repurchase Program") under which the Company may purchase up to \$600 million of its outstanding shares during the three-year period ending November 29, 2026. The 2023 Share Repurchase Program, the 2022 Share Repurchase Program and the 2021 Share Repurchase Program are collectively referred to as the "Share Repurchase Programs".

Under the Share Repurchase Programs, repurchases can be made using a variety of methods, which may include open market purchases, block trades, privately negotiated transactions, accelerated share repurchase programs and/or a non-discretionary trading plan, all in compliance with the rules of the SEC and other applicable legal requirements. The timing, manner, price and amount of any common share repurchases under the Share Repurchase Programs are determined by the Company in its discretion and depend on a variety of factors, including legal requirements, price and economic and market conditions. The Share Repurchase Programs do not obligate the Company to acquire any particular number of common shares, and the programs may be suspended, extended, modified or discontinued at any time.

The following table summarizes our share repurchases for the periods presented:

	Thirteen Weeks Ended	
	May 4, 2024	April 29, 2023
Shares repurchased	1,983,967	750,010
Aggregate amount paid (amounts in millions) ⁽¹⁾	\$ 123.5	\$ 50.3

(1) Includes estimated excise tax fees of \$1.1 million and \$0.3 million for the thirteen weeks ended May 4, 2024 and April 29, 2023, respectively.

As of May 4, 2024, we no longer had availability under the 2021 Share Repurchase Program or 2022 Share Repurchase Program, and we had \$574.3 million available under the 2023 Share Repurchase Program.

Supplier Finance Programs

We have previously entered into a supply chain financing arrangement with a third-party financial institution, whereby certain suppliers have the ability to settle outstanding payment obligations earlier than the due date required by our original supplier terms. Subsequently, we settle invoices with the financial institution within 45 days, which approximates our original supplier terms. The Company does not have an economic interest in suppliers' voluntary participation, does not provide any guarantees or pledge assets under these arrangements, and our rights and obligations to our suppliers, including amounts due, are not impacted. Our liability associated with these arrangements, which is presented within accounts payable on the consolidated balance sheets, was \$3.2 million, \$7.2 million and \$8.9 million as of May 4, 2024, February 3, 2024 and April 29, 2023, respectively.

Recent Accounting Pronouncements

Improvements to Income Tax Disclosures

In December 2023, the FASB issued ASU 2023-09: Improvements to Income Tax Disclosures. This pronouncement is intended to enhance the transparency and decision usefulness of income tax disclosures and establishes new income tax disclosure requirements, including requiring disaggregation of a reporting entity's effective tax rate reconciliation and disaggregation of the income taxes paid based on the applicable tax jurisdiction. The new guidance is effective for fiscal years beginning after December 15, 2024 and should be applied on a prospective basis with the option to apply the standard retrospectively. The Company is currently evaluating the impact that the adoption of this accounting standard will have on its financial disclosures.

Segment Reporting

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which is intended to enhance the disclosures on reportable segments. Under this pronouncement, all public entities (including those with a single reporting segment) are required to include incremental disclosures related to a public entity's reportable segments, including disclosure of disaggregated expense information that is regularly provided to the chief operating decision maker and included within each reported measure of segment profit or loss. The new guidance is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, and should be adopted retrospectively. The Company is currently evaluating the impact that the adoption of this accounting standard will have on its financial disclosures.

3. Net Sales

Revenue from merchandise sales is recognized, net of sales tax, when the Company's performance obligation to the customer is met, which is when the Company transfers control of the merchandise to the customer. Store merchandise sales are recognized at the point of sale and e-commerce sales are recognized upon delivery to the customer.

The following table sets forth the approximate amount of sales by merchandise divisions for the periods presented (amounts in thousands):

	Thirteen Weeks Ended	
	May 4, 2024	April 29, 2023
Merchandise division sales⁽¹⁾		
Outdoors	\$ 374,907	\$ 366,321
Sports and recreation	350,588	366,300
Apparel	335,621	345,231
Footwear	292,441	296,301
Total merchandise sales ⁽²⁾	1,353,557	1,374,153
Other sales ⁽³⁾	10,663	9,456
Net Sales	\$ 1,364,220	\$ 1,383,609

(1) Certain products and categories were recategorized amongst various categories and divisions, respectively, to better align with our current merchandising strategy and view of the business. As a result, we have reclassified sales between divisions in the thirteen weeks ended April 29, 2023, for comparability purposes. This reclassification is in divisional presentation only and did not impact the overall net sales balances previously disclosed.

(2) E-commerce sales consisted of 9.0% and 8.2% for the thirteen weeks ended May 4, 2024 and April 29, 2023, respectively.

(3) Other sales consisted primarily of the gift card breakage income, credit card bounties and royalties, shipping income, net hunting and fishing license income, sales return allowance and other items.

We sell gift cards in stores, online and in third-party retail locations. A liability for gift cards, which is recorded in accrued expenses and other liabilities on our consolidated balance sheets is established at the time of sale and revenues are recognized as the gift cards are redeemed in stores or on our website.

The following is a reconciliation of the gift card liability (amounts in thousands):

	Thirteen Weeks Ended	
	May 4, 2024	April 29, 2023
Gift card liability, beginning balance	\$ 94,155	\$ 90,650
Issued	18,020	17,293
Redeemed	(28,545)	(28,715)
Recognized as breakage income	(1,361)	(1,116)
Gift card liability, ending balance	\$ 82,269	\$ 78,112

4. Long-Term Debt

Our debt consisted of the following (amounts in thousands) as of:

	May 4, 2024	February 3, 2024	April 29, 2023
ABL Facility, due March 2029	\$ —	\$ —	\$ —
Term Loan, due November 2027	91,000	91,750	194,000
Notes, due November 2027	400,000	400,000	400,000
Total debt	491,000	491,750	594,000
Less current maturities	(3,000)	(3,000)	(3,000)
Less unamortized discount on Term Loan	(465)	(501)	(1,268)
Less deferred loan costs ⁽¹⁾	(3,451)	(3,698)	(5,639)
Long-term debt, net	\$ 484,084	\$ 484,551	\$ 584,093

(1) Deferred loan costs are related to the Term Loan and Notes.

As of May 4, 2024, February 3, 2024 and April 29, 2023, the balance in deferred loan costs related to the ABL Facility (as defined below) was approximately \$7.2 million, \$2.1 million and \$2.9 million, respectively, and was included in other noncurrent assets on our consolidated balance sheets. Total amortization of deferred loan costs was \$0.6 million for each of the thirteen weeks ended May 4, 2024 and April 29, 2023. Total expenses related to accretion of original issuance discount was \$0.1 million for the thirteen weeks ended May 4, 2024 and April 29, 2023, respectively. The expenses related to amortization of deferred loan costs and accretion of original issuance discount are included in interest expense, net on the consolidated statements of income.

Term Loan

We refer to the 2020 Term Loan and the amendments thereto collectively as the "Term Loan".

On November 6, 2020, Academy, Ltd. entered into a seven-year \$400.0 million senior secured term loan (the "2020 Term Loan"). On May 25, 2021, Academy, Ltd. entered into Amendment No. 4 (the "Amendment") to the Second Amended and Restated Credit Agreement, dated as of November 6, 2020, among Academy, Ltd., as Borrower, Credit Suisse AG, Cayman Islands Branch, as the administrative agent and collateral agent, the several lenders party thereto and the several other parties named therein. Under the Amendment, the Term Loan bore interest, at Academy, Ltd.'s election, at either (1) LIBOR rate with a floor of 0.75%, plus a margin of 3.75%, or (2) a base rate equal to the highest of (a) the federal funds rate plus 0.50%, (b) Credit Suisse's "prime rate", or (c) the one-month LIBOR rate plus 1.00%, plus a margin of 4.00%.

On May 17, 2023, Academy, Ltd. entered into a Conforming Changes Amendment to the Second Amended and Restated Credit Agreement, dated as of November 6, 2020, among Academy, Ltd., as Borrower, Credit Suisse AG, Cayman Islands Branch, as the administrative agent and collateral agent and the several lenders party thereto and the several other parties named therein, which updated the Term Loan benchmark base interest rate from LIBOR to Adjusted Term SOFR (as defined in the Conforming Changes Amendment to the Second Amended and Restated Credit Agreement). The transition of our Term Loan to Adjusted Term SOFR became effective on August 1, 2023. Borrowings under the Term Loan bear interest, at our election, at either (1) Adjusted Term SOFR with a floor of 0.75% rate plus a margin of 3.75% or (2) a base rate equal to the highest of (a) the federal funds rate plus 0.50%, (b) the U.S. "prime rate" announced by the administrative agent, or (c) the one-month Adjusted Term SOFR with a floor of 0.75% rate, plus a margin of 3.75%. Quarterly principal payments of \$750 thousand are required through September 30, 2027 and borrowings mature on November 6, 2027. As of May 4, 2024, the weighted average interest rate was 9.19%, with interest payable monthly. The terms and conditions of the Term Loan also require that the outstanding balance under the Term Loan is prepaid under certain circumstances. As of May 4, 2024, no prepayment was due under the terms and conditions of the Term Loan.

Notes

On November 6, 2020, Academy, Ltd. issued \$400.0 million of 6.00% senior secured notes which are due November 15, 2027 (the "Notes"), pursuant to an indenture, dated as of November 6, 2020 (the "Indenture") with The Bank of New York Mellon Trust Company, N.A., as trustee and collateral agent. The Notes require cash interest payments semi-annually in arrears on May 15 and November 15 of each year at a rate of 6.00% per year.

ABL Facility

We refer to the 2020 ABL Facility and the amendments thereto collectively as the "ABL Facility".

On November 6, 2020, Academy, Ltd., as borrower, and the guarantors, amended the previously existing secured asset-based revolving credit facility by entering into an amendment to the First Amended and Restated ABL Credit Agreement, dated as of November 6, 2020, with JPMorgan Chase Bank, N.A. as the administrative agent and collateral agent, letter of credit issuer and swingline lender and the several lenders party thereto, which ABL amendment, among other things, extended the maturity of Academy, Ltd.'s asset-based revolving credit facility thereunder to November 6, 2025 (the "2020 ABL Facility").

On March 30, 2023, Academy, Ltd., as borrower, and the guarantors, amended the 2020 ABL Facility by entering into an amendment to the First Amended and Restated ABL Credit Agreement, dated as of July 2, 2015, with JP Morgan Chase Bank, N.A. as the ABL Agent and the several lenders party thereto, which ABL amendment updated its benchmark base interest rate from LIBOR to Adjusted Term SOFR.

On March 8, 2024, Academy, Ltd., as borrower, and New Academy Holding Company, LLC, Associated Investors, L.L.C. and Academy Managing Co., L.L.C., as guarantors, entered into an amendment (the "ABL Amendment") to the First Amended and Restated ABL Credit Agreement, dated as of July 2, 2015, with JPMorgan Chase Bank, N.A. as the administrative agent and collateral agent, letter of credit issuer and swingline lender, and the several lenders party thereto, which ABL Amendment, among other things, extended the maturity of Academy's asset-based revolving credit facility (the "ABL Credit Facility") to March 8, 2029, unless (i) more than \$100 million of the aggregate principal amount of the Notes or the Term Loan, or any refinancing thereof, in each case, is outstanding on the date that is 91 days prior to the earliest maturity date of any such indebtedness or (ii) equal to or less than \$100 million of the aggregate principal amount of the Notes or the Term Loan, in either case, is outstanding on the date that is 91 days prior to the earliest maturity date of any such indebtedness and a Reserve (as defined in the ABL Amendment) in the ABL Credit Facility has not been taken for such amount, then the maturity date of the ABL Credit Facility will be the date that is 91 days earlier than the earlier maturity date of the Notes and the Term Loan.

The ABL Facility is used to provide financing for working capital and other general corporate purposes, as well as to support certain letters of credit requirements, and availability is subject to customary borrowing base and availability provisions. During the normal course of business, we periodically utilize letters of credit primarily for the purchase of import goods and in support of insurance contracts. As of May 4, 2024, we had outstanding letters of credit of approximately \$11.6 million, all of which were issued under the ABL Facility, and we had no borrowings outstanding under the ABL Facility, leaving an available borrowing capacity under the ABL Facility of \$981.2 million.

Borrowings under the ABL Facility bear interest, at our election, at either (1) Adjusted Term SOFR plus a margin of 1.25% to 1.75%, or (2) a base rate equal to the highest of (a) the federal funds rate plus 0.50%, (b) JPMorgan Chase Bank, N.A.'s "prime rate", or (c) the one-month Adjusted Term SOFR rate plus 1.00%, plus a margin of 0.25% to 0.75%. The ABL Facility also provides a fee applicable to the unused commitments of 0.25%. The terms and conditions of the ABL Facility also require that we prepay outstanding loans under the ABL Facility under certain circumstances. As of May 4, 2024, no future prepayments of outstanding loans have been triggered under the terms and conditions of the ABL Facility. In connection with the reduction of two lenders who dropped out of the ABL Facility, the Company wrote off \$0.4 million of deferred loan costs related to the ABL Facility.

Covenants. The ABL Facility, Term Loan and Notes agreements contain covenants, including, among other things, covenants that may restrict Academy, Ltd.'s ability to incur certain additional indebtedness, create or permit liens on assets, engage in mergers or consolidations, pay dividends, make other restricted payments, make loans or advances, engage in transactions with affiliates or amend material documents. Additionally, at certain times, the ABL Facility is subject to a minimum adjusted fixed charge coverage ratio. These covenants are subject to certain qualifications and limitations. We were in compliance with these covenants as of May 4, 2024.

5. Fair Value Measurements

Fair value is defined as an exit price that would be received from the sale of an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Authoritative guidance establishes a three-level hierarchy for disclosure that is based on the extent and level of judgment used to estimate the fair value of the assets and liabilities.

The fair value measurements are classified as either:

- Level 1 which represents valuations based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;
- Level 2 which represents valuations based on quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and
- Level 3 which represents valuations based on prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity).

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy in which the fair value measurement is classified in its entirety, is based on the lowest level input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability. There were no transfers made into or out of the Level 1, 2 or 3 categories during any period presented.

Periodically we make cash investments in money market funds comprised of U.S. Government treasury bills and securities, which are classified as cash and redeemable on demand. As of May 4, 2024, February 3, 2024 and April 29, 2023, we held \$324.0 million, \$303.4 million and \$42.3 million in money market funds, respectively.

The fair value of the Term Loan and Notes is estimated using a discounted cash flow analysis based on quoted market prices for the instrument in an inactive market and is therefore classified as Level 2 within the fair value hierarchy. As of May 4, 2024, February 3, 2024, and April 29, 2023, the estimated fair value of the Term Loan and Notes was \$0.5 billion, \$0.5 billion and \$0.6 billion, respectively. As borrowings on the ABL Facility are generally repaid in less than 12 months, we believe that fair value approximates the carrying value.

6. Property and Equipment

Property and equipment consists of the following (amounts in thousands) as of:

	May 4, 2024	February 3, 2024	April 29, 2023
Leasehold improvements	\$ 589,714	\$ 571,785	\$ 491,112
Equipment and software	703,039	688,143	648,142
Furniture and fixtures	402,803	398,415	364,619
Construction in progress	41,591	38,873	43,074
Building and Land	14,919	14,919	3,698
Total property and equipment	1,752,066	1,712,135	1,550,645
Accumulated depreciation and amortization	(1,295,472)	(1,266,926)	(1,185,621)
Property and equipment, net	\$ 456,594	\$ 445,209	\$ 365,024

Depreciation expense was \$28.9 million and \$26.3 million in the thirteen weeks ended May 4, 2024 and April 29, 2023, respectively.

7. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consist of the following (amounts in thousands) as of:

	May 4, 2024	February 3, 2024	April 29, 2023
Accrued interest	\$ 13,006	\$ 6,717	\$ 13,197
Accrued personnel costs	44,384	30,899	27,452
Accrued professional fees	1,964	1,818	1,853
Accrued sales and use tax	18,083	14,828	12,705
Accrued self-insurance	16,002	15,269	15,954
Deferred revenue - gift cards and other	84,725	96,688	80,405
Income taxes payable	31,234	9,313	18,837
Property taxes	23,657	14,239	24,341
Sales return allowance	5,200	6,400	5,700
Other	23,793	21,761	20,944
Accrued expenses and other current liabilities	<u>\$ 262,048</u>	<u>\$ 217,932</u>	<u>\$ 221,388</u>

8. Share-Based Compensation

On September 29, 2020, the ASO, Inc. Board of Directors adopted the 2020 Omnibus Incentive Plan (the "2020 Omnibus Incentive Plan"), which became effective on October 1, 2020. The 2020 Omnibus Incentive Plan provides for the grant of certain equity incentive awards (each, an "Award"), such as options to purchase ASO, Inc. common stock (each, a "Stock Option") and restricted units that may settle in ASO, Inc. common stock (each, a "Restricted Stock Unit") to our directors, executives and eligible employees of the Company. Awards granted under the 2020 Omnibus Incentive Plan consist of Stock Options that vest upon the satisfaction of time-based requirements (each, a "Service Option"), Restricted Stock Units that vest upon the satisfaction of time-based requirements (each, a "Service Restricted Stock Unit") and Restricted Stock Units that vest upon the satisfaction of time and performance and/or market based requirements (each, a "Performance Restricted Stock Unit"). The plan reserved a total of 5,150,000 shares of common stock for issuance. On June 1, 2023, our stockholders approved the First Amendment to the 2020 Omnibus Incentive Plan, which, among other changes, increased the number of shares available for issuance thereunder by 2,600,000 shares. As of May 4, 2024, there were 4,132,613 shares that were authorized and available for future issuance under the 2020 Omnibus Incentive Plan.

On September 29, 2020, the ASO, Inc. Board of Directors adopted the 2020 Employee Stock Purchase Plan (the "ESPP"), which became effective on October 1, 2020. We have reserved a total of 2,000,000 shares under the ESPP and as of May 4, 2024, there were 1,593,760 shares authorized and available for future issuance under the ESPP.

Equity compensation expense was \$6.1 million and \$11.4 million for the thirteen weeks ended May 4, 2024 and April 29, 2023, respectively. These costs are included in selling, general and administrative expenses in the consolidated statements of income. For all Awards granted in 2023 and 2024, for team members that meet the age and service requirement for retirement eligibility (as defined in the award agreement), such Awards do not require the continued employment of the team member for vesting eligibility. In such cases, expensing of Awards is accelerated through the retirement eligibility date.

The following table presents the Award grants during the thirteen weeks ended May 4, 2024:

	Service Restricted Stock Units	Performance Restricted Stock Units
Number of shares	346,418	129,041
Weighted average grant date fair value per Award	\$ 64.94	\$ 65.48
Weighted average exercise price per Award	N/A	N/A

The following table presents the unrecognized compensation cost as of May 4, 2024:

	Service Options	Service Restricted Stock Units	Performance Restricted Stock Units
Remaining expense	\$ 7,123,633	\$ 33,693,705	\$ 9,227,029
Weighted average life remaining in years	1.7	2.3	2.6

9. Earnings per Common Share

Basic earnings per common share is calculated based on net income divided by the basic weighted average common shares outstanding during the period, and diluted earnings per common share is calculated based on net income divided by the diluted weighted average common shares outstanding. Diluted weighted average common shares outstanding is based on the basic weighted average common shares outstanding plus any potential dilutive effect of stock-based awards outstanding during the period using the treasury stock method, which assumes the potential proceeds received from the dilutive stock options are used to purchase treasury stock. Anti-dilutive stock-based awards do not include awards which have a performance or liquidity event target which has yet to be achieved.

Basic and diluted weighted average common shares outstanding and basic and diluted earnings per common share are calculated as follows (amounts in thousands except per share amounts):

	Thirteen Weeks Ended	
	May 4, 2024	April 29, 2023
Net income	\$ 76,465	\$ 93,970
Weighted average common shares outstanding - basic	73,993	76,862
Dilutive effect of Service Restricted Units and Service Restricted Stock Units	244	247
Dilutive effect of Performance Restricted Stock Units and Liquidity Event Restricted Units	128	186
Dilutive effect of Service Options	1,342	1,841
Dilutive effect of Performance Unit Options	91	152
Dilutive effect of ESPP Shares	—	—
Weighted average common shares outstanding - diluted	75,798	79,288
Earnings per common share - basic	\$ 1.03	\$ 1.22
Earnings per common share - diluted	\$ 1.01	\$ 1.19
Anti-dilutive stock-based awards excluded from diluted calculation	4	64

10. Commitments and Contingencies

Technology Related and Other Commitments

As of May 4, 2024, we have obligations under technology-related, construction and other contractual commitments in the amount of \$95.0 million. Of such commitments, approximately \$69.0 million is payable in the next 12 months.

Financial Guarantees

During the normal course of business, we enter into contracts that contain a variety of representations and warranties and provide general indemnifications. The maximum exposure under these arrangements is unknown as this would involve future claims that may be made against us that have not yet occurred. However, based on experience, we believe the risk of loss to be remote.

Legal Proceedings

We are a defendant or co-defendant in lawsuits, claims and demands brought by various parties relating to matters normally incident to our business. No individual case, or group of cases against us, presenting substantially similar issues of law or fact, is expected to have a material effect on the manner in which we conduct our business or on our consolidated results of operations, financial position or liquidity. The majority of these cases are alleging product, premises, employment and/or commercial liability. Reserves have been established that we believe to be adequate based on our current evaluations and experience in these types of claim situations; however, the ultimate outcome of these cases cannot be determined at this time. We believe, taking into consideration our indemnities, defenses, insurance and reserves, the ultimate resolution of these matters will not have a material impact on our financial position, results of operations or cash flows. In addition, government agencies and self-regulatory organizations have the ability to conduct periodic examinations of and administrative proceedings regarding our business. In May and December 2023, U.S. Customs and Border Protection (the "CBP") notified us we owed additional duties relating to certain products that we imported from China that CBP believes are subject to certain anti-dumping and/or countervailing duties. We do not believe that these products are subject to such duties and are contesting CBP's determination vigorously. While we contest CBP's determination, we were required to deposit with CBP an amount of duties relating to these products, which are included in prepaid expenses and other current assets on the Company's consolidated balance sheet while this matter is pending. We anticipate that this matter will be resolved without a material adverse effect on our financial position, results of operations or cash flows. However, the ultimate outcome of this matter cannot be determined at this time, and we cannot assure you that we will be successful in contesting CBP's determination or that we will not need to accrue or pay additional amounts in the future.

There have been no material developments during the fiscal quarter ended May 4, 2024, with respect to any of the matters discussed under the heading "Legal Proceedings" in the Annual Report. We are not currently party to any other legal proceedings that we believe would have a material adverse effect on our financial position, results of operations or cash flows.

Sponsorship Agreement and Intellectual Property Commitments

We periodically enter into sponsorship agreements generally with professional sports teams, associations, events, networks, or individual professional players and collegiate athletic programs in exchange for marketing and advertising promotions. We also enter into intellectual property agreements whereby the Company receives the right to use third-party owned trademarks typically in exchange for royalties on sales. These agreements typically contain a one to three-year term and contractual payment amounts required to be paid by the Company. As of May 4, 2024, we have \$13.3 million in related commitments through 2027, of which \$5.6 million is payable in the next 12 months.

11. Subsequent Events

Our management evaluated events or transactions that occurred after May 4, 2024 through June 11, 2024, the issuance date of the consolidated financial statements, and identified the following matters to report:

On June 6, 2024, the Company's Board of Directors declared a quarterly cash dividend with respect to the fiscal quarter ended May 4, 2024, of \$0.11 per share of the Company's common stock, payable on July 18, 2024, to stockholders of record as of the close of business on June 20, 2024.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Cautionary Statement Regarding Forward-looking Statements

This Quarterly Report on Form 10-Q (this "Quarterly Report") includes "forward-looking" statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which are subject to the "safe harbor" created by those sections. Forward-looking statements include all statements that are not historical facts, including statements reflecting our current views with respect to, among other things, our operations and financial performance. These forward-looking statements are included throughout this Quarterly Report, including this "Management's Discussion and Analysis of Financial Condition and Results of Operations" and in the section entitled "Risk Factors," and relate to matters such as macroeconomic conditions, our industry, business strategy, goals and expectations concerning our market position, future operations, margins, profitability, capital expenditures, liquidity and capital resources and other financial and operating information. We have used the words "anticipate," "assume," "believe," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "future," "will," "seek," "foreseeable," the negative version of these words or similar terms and phrases to identify forward-looking statements in this Quarterly Report.

The forward-looking statements contained in this Quarterly Report are based on management's current expectations and are not guarantees of future performance. The forward-looking statements are subject to various risks, uncertainties, assumptions or changes in circumstances that are difficult to predict or quantify. Our expectations, beliefs, and projections are expressed in good faith and we believe there is a reasonable basis for them. However, there can be no assurance that management's expectations, beliefs and projections will result or be achieved. Actual results may differ materially from these expectations due to changes in global, regional or local economic, business, competitive, market, regulatory and other factors, many of which are beyond our control. We believe that these factors include but are not limited to those described under "Risk Factors" in the Company's Annual Report on Form 10-K for the fiscal year ended February 3, 2024 (the "Annual Report"), as filed with the Securities and Exchange Commission (the "SEC") on March 21, 2024, as such risk factors have been updated from time to time in our periodic filings with the SEC, and are accessible on the SEC's website at www.sec.gov.

Any forward-looking statement made by us in this Quarterly Report speaks only as of the date of this Quarterly Report and are expressly qualified in their entirety by the cautionary statements included in this Quarterly Report. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures, investments or other strategic transactions we may make. We undertake 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.

The following is a summary of the principal factors that make an investment in our securities speculative or risky (all of which are more fully described in the section entitled "Risk Factors" in the Annual Report):

Risks Related to Our Business and Industry

- overall decline in the health of the economy and consumer discretionary spending;
- our ability to predict or effectively react to changes in consumer tastes and preferences, to acquire and sell brand name merchandise at competitive prices and/or to manage our inventory balances;
- risks associated with our reliance on internationally manufactured merchandise;
- our ability to safeguard sensitive or confidential data relating to us and our customers, team members and vendors;
- intense competition in the sporting goods and outdoor recreation retail industries;
- our ability to operate, update or implement our information systems;
- risks associated with disruptions in our supply chain and losses of merchandise purchasing incentives;
- harm to our reputation;
- any failure of our third-party vendors of outsourced business services and solutions;
- our ability to successfully continue our store growth plans or manage our growth effectively, or any failure of our new stores to generate sales and/or achieve profitability;
- risks associated with our e-commerce business;

- risks related to our private label brand merchandise;
- any disruption in the operation of our distribution centers;
- quarterly and seasonal fluctuations in our operating results;
- the occurrence of severe weather events, catastrophic health events, natural or man-made disasters, social and political conditions or civil unrest;
- any failure to attract, train and retain quality team members in sufficient numbers, increases in wage and labor costs, and changes in laws and other labor issues;
- our ability to retain key personnel;
- the geographic concentration of our stores;
- fluctuations in merchandise (including raw materials) costs and availability;
- payment-related risks;
- the effectiveness of our marketing and advertising programs;
- our ability to protect against inventory shrink;
- our ability to successfully pursue strategic acquisitions and integrate acquired businesses.

Legal and Regulatory Risks

- our ability to comply with laws and regulations affecting our business, including those relating to the sale, manufacture and import of consumer products;
- risks related to climate change and other sustainability-related matters;
- claims, demands and lawsuits to which we are, and may in the future, be subject and the risk that our insurance or indemnities coverage may not be sufficient;
- risks related to product safety;
- our ability to protect our intellectual property and avoid the infringement of third-party intellectual property rights.

Risks Related to Our Indebtedness

- our level of indebtedness and related debt service payments and our ability to generate sufficient cash flow to satisfy all of our obligations under our indebtedness;
- our ability to incur substantially more debt;
- our variable rate indebtedness subjects us to interest rate risk;
- restrictions on our current and future operations imposed by the terms of our indebtedness;
- our ability to borrow under the ABL Facility (as defined below);
- our level of indebtedness may hinder our ability to negotiate favorable terms with our vendors.

Risks Related to the Ownership of Our Common Stock

- our stock price is volatile or may decline;
- our ability or decision to pay dividends on our common stock or conduct stock repurchases;
- anti-takeover provisions in our organizational documents could delay or prevent a change of control;
- our exclusive forum provision; and
- you may be diluted by any future issuances of shares by us.

These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this Quarterly Report. Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, our actual results may vary in material respects from those projected in these forward-looking statements.

The following discussion and analysis of our financial condition and results of operations should be read together with our unaudited financial statements and related notes included elsewhere in this Quarterly Report for the thirteen weeks ended May 4, 2024 and our audited financial statements for the fiscal year ended February 3, 2024 and the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in the Annual Report.

All references to "Academy," "Academy Sports + Outdoors," "ASO, Inc.," "we," "us," "our" or the "Company" in this Quarterly Report refer to Academy Sports and Outdoors, Inc., a Delaware corporation and the current parent holding company of our operations, and its consolidated subsidiaries. We conduct our operations through our subsidiaries, including our indirect subsidiary, Academy, Ltd., an operating company which is doing business as "Academy Sports + Outdoors." All of the Company's sales and business operations occur at Academy, Ltd., and Academy, Ltd., is also the borrower and/or issuer of the Company's long-term debt and lessee of facilities.

We operate on a retail fiscal calendar pursuant to which our fiscal year consists of 52 or 53 weeks, ending on the Saturday closest to January 31 (which such Saturday may occur on a date following January 31) each year. References to any year, quarter, or month mean our fiscal year, fiscal quarter, and fiscal month, respectively, unless the context requires otherwise. References to the "current quarter," "2024 first quarter," or similar reference refers to the thirteen week period ended May 4, 2024, and any reference to the "prior year quarter," "2023 first quarter" or similar reference refers to the thirteen week period ended April 29, 2023. Unless otherwise specified, all comparisons regarding the current period of 2024 are made to the corresponding period of 2023.

Overview

We are a leading full-line sporting goods and outdoor recreation retailer in the United States. Our mission is to provide "Fun for All", and we fulfill this mission with a localized merchandising strategy and value proposition that deeply connect with a broad range of consumers. Our product assortment focuses on key categories of outdoor, sports and recreation, apparel, and footwear (representing 28%, 26%, 25%, and 21% of our 2024 first quarter net sales, respectively) through both leading national brands and a portfolio of private label brands, which go well beyond traditional sporting goods and apparel offerings.

We sell a range of sporting and outdoor recreation products, including sporting equipment, apparel, footwear, camping gear, patio furniture, outdoor cooking equipment, and hunting and fishing gear, among many others. Our strong merchandise assortment is anchored by our broad offering of year-round items, such as fitness equipment and apparel, work and casual wear, folding chairs, wagons and tents, training and running shoes, and coolers. We also carry a deep selection of seasonal items, such as sports equipment and apparel, seasonal wear and accessories, hunting and fishing equipment and apparel, patio furniture, trampolines, play sets, bicycles, and severe weather supplies. We provide locally relevant offerings, such as crawfish boilers in Louisiana, licensed apparel for area sports fans, baits and lures for area fishing spots, and beach towels in coastal markets.

As of May 4, 2024, we operated 284 stores that range in size from approximately 40,000 to 137,000 gross square feet, with an average size of approximately 70,000 gross square feet, throughout 18 contiguous states located primarily in the southern United States. Our stores are supported by approximately 22,000 team members, three distribution centers, and our e-commerce platform, which includes our website at www.academy.com and our mobile app. Additionally, we are deepening our customer relationships, further integrating our e-commerce platform with our stores and driving operating efficiencies by developing our omnichannel capabilities, such as our mobile app, optimizing the website experience and upgrading our fulfillment capabilities.

The following table summarizes store activity for the periods indicated:

	Thirteen Weeks Ended	
	May 4, 2024	April 29, 2023
Beginning stores	282	268
Q1 new stores	2	1
Closed	—	—
Ending stores	284	269
Relocated stores	—	—

How We Assess the Performance of Our Business and Recent Trends

Our management considers a number of financial and operating metrics, including the following key metrics, to evaluate our business, measure our performance, identify trends affecting our business, determine the allocation of resources, make decisions regarding corporate strategies and evaluate projections. These metrics include operational measures and non-GAAP metrics supplemental to our GAAP results.

Comparable Sales. We define comparable sales as the percentage of period-over-period net sales increase or decrease, in the aggregate, for stores open after thirteen full fiscal months, as well as for all e-commerce sales. There may be variations in the way in which some of our competitors and other retailers calculate comparable sales. As a result, data in this Quarterly Report regarding our comparable sales may not be comparable to similar data made available by other retailers. Stores which have been significantly remodeled or relocated are removed from this calculation until the new store has been in operation for substantially all of the periods being compared. Stores which have been closed for an extended period of time due to circumstances beyond our control are also removed from the calculation. Any sales made through our website or mobile app are allocated to e-commerce sales for the purpose of measuring comparable sales, regardless of how those sales are fulfilled, whether shipped to home or picked up in-store or curbside through our buy-online-pickup-in-store program ("BOPIS"). For example, all BOPIS transactions, which are originated by our website, are allocated to e-commerce sales for the purpose of comparable sales, despite the fact that our customers pick-up these purchases from a specific store.

Increases or decreases in e-commerce between periods being compared directly impact the comparable sales results. Various factors affect comparable sales, including consumer preferences, buying trends and overall economic trends; our ability to identify and respond effectively to customer preferences and local and regional trends; our ability to provide an assortment of high quality/value oriented product offerings that generate new and repeat visits to our stores and our website; the customer experience and unique services we provide in our stores; our ability to execute our omnichannel strategy, including the growth of our e-commerce business; changes in product mix and pricing, including promotional activities; the number of items purchased per visit and average order value; a shift in the timing of a holiday between comparable periods; and the number of stores that have been in operation for more than 13 months.

The Company's 2024 fiscal year is a 52-week year, whereas the 2023 fiscal year was a 53-week year, which created a one week shift. The comparable sales metric for the 2024 first quarter compares the 13 weeks ended May 4, 2024 versus the 13 weeks ended May 6, 2023. The prior year rate of decline in comparable store sales slowed in the 2024 first quarter with a 2024 first quarter comparable sales decrease of 5.7%, compared to 6.4% and 6.5% in 2022 and 2023, respectively. See the discussion on Net Sales below for factors contributing to these changes.

Transactions and average ticket. We define transactions as the number of customer transactions for stores and e-commerce during a given period on a comparable sales basis. Transactions are influenced by customer traffic, the amount of customers that visited our stores or website, and sales conversion, the percent of those customers that made a purchase. We define average ticket as total comparable sales divided by the number of transactions during a given period, which tells us the average amount the customer is spending on a purchase.

Adjusted EBITDA, Adjusted EBIT, Adjusted Net Income, Adjusted Earnings per Share and Adjusted Free Cash Flow. Management uses Adjusted EBITDA, Adjusted EBIT, Adjusted Net Income, Adjusted Earnings per Share and Adjusted Free Cash Flow to supplement GAAP measures of performance in the evaluation of the effectiveness of our business strategies, to make budgeting decisions, and to compare our performance against that of other peer companies using similar measures. Management also uses Adjusted EBIT as a performance target to establish and award discretionary annual incentive compensation. See "Non-GAAP Measures" below.

Components of Our Results of Operations. Our profitability is primarily influenced by fluctuations in net sales, gross margin and our ability to leverage selling, general and administrative expenses.

Net Sales. Net sales are derived from in-store and e-commerce merchandise sales, net of sales tax and an allowance for merchandise returns.

Net sales fluctuations can be driven by new store openings, comparable sales increases or decreases including e-commerce sales, our ability to adjust inventory based on sales fluctuations, our management of vendor relations and meeting customer demand, allowances and logistics, seasonality, unseasonal or extreme weather, changes in consumer shopping preferences, consumer discretionary spending, and market and sales promotions.

We must maintain sufficient inventory levels of merchandise that our customers desire to successfully operate our business. A shortage of popular merchandise could reduce our net sales. Conversely, we also must seek to avoid accumulating excess inventory to avoid markdowns and clearance which negatively impact sales and gross margin. We have deployed several new tools over recent years to improve inventory handling and vendor management, including third-party programs to analyze our inventory stock and execute a disciplined markdown strategy throughout the year at every location. This implementation, along with other factors, has allowed us to improve our inventory management in stores over the past few years. We have coupled these tools with the data we have been able to collect from our Academy Credit Card program, our customer database and targeted customer surveys, so that we can better estimate future inventory requirements. It is imperative that we continue to find innovative ways to strengthen our inventory management if we are to remain competitive and expand our margins on a go-forward basis.

Our broad assortment gives us an advantage over mass general merchants who typically do not carry the leading national brands sold at Academy. We have also continued to add private label brand products to our assortment of products, which we generally price lower than the national brand products of comparable quality that we also offer. A shift in our sales mix in which we sell more units of our private label brand products and fewer units of the national brand products would generally have a positive impact on our gross margin but an adverse impact on our total net sales. Furthermore, our softgoods merchandise divisions, which consist of apparel and footwear, have higher margins than our hardgoods merchandise divisions, which consist of outdoors and sports and recreation. A shift in sales mix toward softgoods would generally have a positive impact on gross margin and a shift in sales mix towards hardgoods would generally have a negative impact on gross margin.

The expansion and enhancement of our omnichannel capabilities has resulted in increased sales in recent years. We continue to invest in initiatives that will increase traffic to our stores and e-commerce platform, which includes our website and mobile app, and drive increased sales conversion. These initiatives include investments in our new customer data platform and the development of strategies that focus on customer segmentation with the intention of improving customer identification and increasing customer engagement. Additionally, we recently implemented several innovative website features to enhance the customer online shopping experience, including a redesigned home page, additional BOPIS features, and enhanced shipping notifications. Our improved e-commerce platform supports our stores with digital marketing and our BOPIS and ship-to-store programs. These platforms allow us to connect further with our customers for marketing and product education and assists us in introducing customers to the Academy brand by reaching customers outside of our current store footprint. During 2024 first quarter, stores facilitated approximately 95% of our total sales, including ship-from-store, BOPIS and in-store retail sales. We expect to continue to invest in expanding and enhancing our omnichannel capabilities, including our mobile app, optimizing the web site experience and upgrading our fulfillment capabilities, which will continue to require further investments by us.

We expect that new stores will be a key driver of growth in our net sales and gross margin in the future as we execute our new store opening growth plans. Our results of operations have been and will continue to be materially affected by the timing and number of new store openings. We are continually assessing the number of locations available that could accommodate our preferred size of stores in markets we would consider, and during 2023 we opened 14 new stores. We believe our real estate strategy has positioned us well for further expansion.

Gross Margin. Gross margin is our net sales less cost of goods sold. Our cost of goods sold includes the direct cost of merchandise and costs related to procurement, warehousing and distribution, which consist primarily of payroll and benefits, distribution center occupancy costs and freight and are generally variable in nature relative to our sales volume.

Our gross margin depends on a number of factors, such as net sales increases or decreases, our promotional activities, product mix including private label merchandise sales, and our ability to control cost of goods sold, such as inventory and logistics cost management. Our gross margin is also impacted by variables including commodity costs, freight costs, shrinkage (discussed below) and inventory processing costs and e-commerce shipping costs. We track and measure gross margin as a percentage of net sales in order to evaluate our performance against profitability targets.

We refer to loss or theft of inventory as "shrinkage" or "shrink". Over recent years, the United States retail industry, including Academy, has experienced a significant increase in inventory shrink, which has resulted in a negative impact to our gross margins. A prolonged period of significant increased shrink could have a material negative impact on our gross margin and results of operations.

Selling, General and Administrative Expenses. Selling, general and administrative ("SG&A") expenses include store and corporate administrative payroll and payroll benefits, equity-based compensation, store and corporate headquarters occupancy costs, advertising, credit card processing, information technology, pre-opening costs and other store and administrative expenses. These expenses are both variable and fixed in nature. SG&A expenses as a percentage of sales increased from 24.6% in the 2023

first quarter to 25.9% in the 2024 first quarter, primarily attributable to the addition of new stores. We track and measure operating expenses as a percentage of net sales in order to evaluate our performance against profitability targets. Management of SG&A expenses depends on our ability to balance a control of operating costs, such as store and corporate headcount, information technology infrastructure and marketing and advertising expenses, while efficiently and effectively servicing our customers.

Pre-opening expenses represent non-capital expenditures associated with the opening of new stores and distribution centers prior to sales generation or start of operations, which consist primarily of occupancy costs, marketing, payroll and recruiting costs, and are expensed as incurred. As we execute our new store opening growth plans, we expect our pre-opening expenses to increase and result in a negative impact to SG&A as a percentage of sales. The following table summarizes our pre-opening expense activity for the periods presented:

	Thirteen Weeks Ended	
	May 4, 2024	April 29, 2023
Number of new stores opened	2	1
Total pre-opening expenses incurred (in millions)	\$ 1.4	\$ 1.6

Interest Expense. Interest expense includes regular interest payable related to our Term Loan, Notes and ABL Facility (see Note 4 to the accompanying financial statements) and the amortization of our deferred loan costs and original issuance discounts associated with the acquisition of the debt. During the fourth quarter of 2023, we utilized cash on hand to voluntarily prepay \$100 million of outstanding borrowings on our Term Loan. This pay down has resulted in decreased interest expense in the 2024 first quarter relative to the prior year first quarter, and we anticipate it will result in decreased interest expense throughout the remainder of 2024.

Income Tax Expense. ASO, Inc. is treated as a U.S. corporation for U.S. federal, state, and local income tax purposes and accordingly, a provision for income taxes has been recorded for the anticipated tax consequences of our reported results of operations for federal, state and local income taxes. Recent fluctuations in income tax expense have been primarily as a result of changes in income before income taxes.

Results of Operations

Thirteen Weeks Ended May 4, 2024 Compared to Thirteen Weeks Ended April 29, 2023

The following table sets forth amounts and information derived from our unaudited statements of income for the periods indicated as follows (dollar amounts in thousands):

	Thirteen Weeks Ended				Change	
	May 4, 2024		April 29, 2023		Dollars	Percent
Net sales	\$ 1,364,220	100.0 %	\$ 1,383,609	100.0 %	\$ (19,389)	(1.4)%
Cost of goods sold	908,427	66.6 %	916,494	66.2 %	(8,067)	(0.9)%
Gross margin	455,793	33.4 %	467,115	33.8 %	(11,322)	(2.4)%
Selling, general and administrative expenses	353,410	25.9 %	340,919	24.6 %	12,491	3.7 %
Operating income	102,383	7.5 %	126,196	9.1 %	(23,813)	(18.9)%
Interest expense, net	9,486	0.7 %	11,230	0.8 %	(1,744)	(15.5)%
Write off of deferred loan costs	449	— %	—	— %	449	NM
Other (income), net	(5,204)	(0.4)%	(3,713)	(0.3)%	(1,491)	40.2 %
Income before income taxes	97,652	7.2 %	118,679	8.6 %	(21,027)	(17.7)%
Income tax expense	21,187	1.6 %	24,709	1.8 %	(3,522)	(14.3)%
Net income	\$ 76,465	5.6 %	\$ 93,970	6.8 %	\$ (17,505)	(18.6)%

*Percentages in table may not sum properly due to rounding.

Net Sales. Net sales decreased \$19.4 million, or 1.4%, in the 2024 first quarter over the prior year first quarter as a result of decreased comparable sales of 5.7%, which were partially offset by additional net sales generated by new locations. As of the end of the 2024 first quarter, we operated 15 additional stores as compared to the end of the 2023 first quarter, and we had the full benefit of one store opened during the 2023 first quarter. Collectively, these stores accounted for a \$35.2 million increase in net sales for the 2024 first quarter, which does not include e-commerce sales fulfilled from these locations.

The decrease of 5.7% in comparable sales was driven by lower comparable sales across all merchandise divisions as a result of fewer comparable transactions of 4.6% and a 1.2% decline in average ticket. The decrease of 1.4% in net sales was driven by lower sales across the sports and recreation, footwear and apparel merchandise divisions, partially offset by an increase in the outdoors merchandise division. The outdoors merchandise division sales increases were primarily as a result of an increase in the camping category, driven by increases in coolers and drinkware sales over the prior year first quarter. The apparel merchandise division sales decreased primarily due to lower sales in licensed apparel. The footwear merchandise division sales decrease was led by lower sales in the work footwear and team sports footwear categories, partially offset by an increase in sales in the athletic footwear category. The decline in the sports and recreation merchandise division sales was primarily driven by decreased sales in fitness equipment and accessories and outdoor cooking.

E-commerce net sales represented 9.0% of merchandise sales for the 2024 first quarter compared to 8.2% for the prior year first quarter.

Gross Margin. Gross margin decreased \$11.3 million, or 2.4%, to \$455.8 million in the 2024 first quarter from \$467.1 million in the 2023 first quarter. As a percentage of net sales, gross margin decreased 40 basis points from 33.8% in the 2023 first quarter to 33.4% in the 2024 first quarter. The decrease in gross margin is primarily attributable to:

- 80 basis points of unfavorability in merchandise margin as a result of a higher sales mix of hard goods and increased planned promotional activity compared to the 2023 first quarter; and
- 23 basis points of unfavorability as a result of increased inventory valuation adjustments; partially offset by
- 41 basis points of favorability in import and domestic freight due to lower freight costs per unit; and
- 18 basis points of favorability related to decreased inventory shrinkage.

Selling, General and Administrative Expenses. SG&A expenses increased \$12.5 million, or 3.7%, to \$353.4 million in the 2024 first quarter as compared to \$340.9 million in the 2023 first quarter. As a percentage of net sales, SG&A expenses increased 130 basis points to 25.9% in the 2024 first quarter compared to 24.6% in the 2023 first quarter. The increase in SG&A is partially attributable to deleverage from decreased sales. SG&A costs also increased \$12.5 million primarily as a result of:

- Increased investments primarily related to our store growth strategy of \$16.3 million, which was partially offset by favorable reductions in equity compensation.

Interest Expense. Interest expense decreased \$1.7 million, or 15.5%, in the 2024 first quarter when compared with the 2023 first quarter, resulting from a lower outstanding balance on our long-term debt driven by a voluntary prepayment of \$100.0 million made on February 1, 2024, slightly offset by higher interest rates.

Other (Income), net. Other (income), net, increased \$1.5 million in the 2024 first quarter when compared with the 2023 first quarter, primarily driven by higher interest rates on money market investments in the current year.

Write off of Deferred Loan Costs. Write off of Deferred Loan Costs increased by \$0.4 million in the 2024 first quarter when compared with the 2023 first quarter, in connection with the amendment that led to the write off of deferred loan costs on the ABL Facility in the 2024 first quarter.

Income Tax Expense. Income tax expense decreased \$3.5 million to \$21.2 million for the 2024 first quarter as compared to \$24.7 million in the 2023 first quarter, resulting primarily from a decrease in pre-tax income. The Company's effective income tax rate was 21.7% in the first quarter of 2024 compared to 20.8% in the first quarter of 2023.

Non-GAAP Measures

Adjusted EBITDA, Adjusted EBIT, Adjusted Net Income, Adjusted Earnings per Share and Adjusted Free Cash Flow, as shown below, have been presented in this Quarterly Report as supplemental measures of financial performance that are not required by, or presented in accordance with, accounting principles generally accepted in the United States of America ("GAAP"). We define Adjusted EBITDA as net income (loss) before interest expense, net, income tax expense and 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 to Adjusted EBIT in the applicable table below. We define Adjusted Net Income as net income (loss) plus other adjustments included in the table below, less the tax effect of these adjustments. We define basic Adjusted Earnings per Share as Adjusted Net Income divided by the basic weighted average common shares outstanding during the period and diluted Adjusted Earnings per Share as Adjusted Net Income divided by the diluted weighted average common shares outstanding during the period. We describe these adjustments by reconciling net income (loss) to Adjusted Net Income and Adjusted Earnings per Share in the applicable table below. We describe Adjusted Free Cash Flow as net cash provided by (used in) operating activities less net cash used in investing activities. We describe this adjustment by reconciling net cash provided by (used in) operating activities to Adjusted Free Cash Flow in the applicable table below.

We believe Adjusted EBITDA, Adjusted EBIT, Adjusted Net Income, and Adjusted Earnings per Share assist investors and analysts in comparing our operating performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance. Management believes Adjusted EBITDA, Adjusted EBIT, Adjusted Net Income, and Adjusted Earnings per Share are useful to investors in highlighting trends in our operating performance, while other measures can differ significantly depending on long-term strategic decisions regarding capital structure, the tax jurisdictions in which we operate and capital investments. Management believes Adjusted Free Cash Flow is a useful measure of liquidity and an additional basis for assessing our ability to generate cash. Management uses Adjusted EBITDA, Adjusted EBIT, Adjusted Net Income, Adjusted Earnings per Share and Adjusted Free Cash Flow to supplement GAAP measures of performance in the evaluation of the effectiveness of our business strategies, to make budgeting decisions and to compare our performance against that of other peer companies using similar measures. Management has also historically used Adjusted EBIT as a performance target to establish and award discretionary annual incentive compensation.

Management supplements GAAP results with non-GAAP financial measures to provide a more complete understanding of the factors and trends affecting the business than GAAP results alone. Adjusted EBITDA, Adjusted EBIT, Adjusted Net Income, Adjusted Earnings per Share and Adjusted Free Cash Flow are not recognized terms under GAAP and should not be considered as an alternative to net income (loss) as a measure of financial performance or net cash provided by (used in) operating activities as a measure of liquidity, or any other performance measures derived in accordance with GAAP. Additionally, these measures are not intended to be a measure of free cash flow available for management's discretionary use as they do not consider certain cash requirements such as interest payments, tax payments and debt service requirements. Adjusted EBITDA, Adjusted EBIT, Adjusted Net Income, and Adjusted Earnings per Share should not be construed to imply that our future results will be unaffected by unusual or non-recurring items. In evaluating Adjusted EBITDA, Adjusted EBIT, Adjusted Net Income, Adjusted Earnings per Share and Adjusted Free Cash Flow, you should be aware that in the future we may incur expenses that are the same as or similar to some of the adjustments in this presentation. Our presentation of Adjusted EBITDA, Adjusted EBIT, Adjusted Net Income, Adjusted Earnings per Share and Adjusted Free Cash Flow should not be construed to imply that our future results will be unaffected by any such adjustments.

Our Adjusted EBITDA, Adjusted EBIT, Adjusted Net Income, Adjusted Earnings per Share and Adjusted Free Cash Flow measures have limitations as analytical tools, and you should not consider them in isolation, or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are:

- Adjusted EBITDA, Adjusted EBIT, Adjusted Net Income, and Adjusted Earnings per Share do not reflect costs or cash outlays for capital expenditures or contractual commitments;
- Adjusted EBITDA, Adjusted EBIT, Adjusted Net Income, and Adjusted Earnings per Share do not reflect changes in, or cash requirements for, our working capital needs;
- Adjusted EBITDA and Adjusted EBIT do not reflect the interest expense, or the cash requirements necessary to service interest or principal payments, on our debt, and Adjusted Free Cash Flow does not reflect the cash requirements necessary to service principal payments on our debt;
- Adjusted EBITDA and Adjusted EBIT do not reflect period to period changes in taxes, income tax expense or the cash necessary to pay income taxes;
- Adjusted EBITDA, Adjusted EBIT, Adjusted Net Income, and Adjusted Earnings per Share do not reflect the impact of earnings or charges resulting from matters we consider not to be indicative of our ongoing operations;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and Adjusted EBITDA and Adjusted Free Cash Flow do not reflect cash requirements for such replacements; and
- other companies in our industry may calculate these measures differently than we do, limiting their usefulness as comparative measures.

Because of these limitations, Adjusted EBITDA, Adjusted EBIT, Adjusted Net Income, Adjusted Earnings per Share and Adjusted Free Cash Flow should not be considered as measures of discretionary cash available to invest in business growth or to reduce indebtedness. Management compensates for these limitations by primarily relying on our GAAP results in addition to using Adjusted EBITDA, Adjusted EBIT, Adjusted Net Income, Adjusted Earnings per Share and Adjusted Free Cash Flow supplementally.

Adjusted EBITDA and Adjusted EBIT

The following table provides reconciliations of net income to Adjusted EBITDA and to Adjusted EBIT for the periods presented (amounts in thousands):

	Thirteen Weeks Ended	
	May 4, 2024	April 29, 2023
Net income	\$ 76,465	\$ 93,970
Interest expense, net	9,486	11,230
Income tax expense	21,187	24,709
Depreciation and amortization	28,853	26,261
Equity compensation (a)	6,138	11,382
Write off of deferred loan costs	449	—
Adjusted EBITDA	\$ 142,578	\$ 167,552
Less: Depreciation and amortization	(28,853)	(26,261)
Adjusted EBIT	\$ 113,725	\$ 141,291

(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.

Adjusted Net Income and Adjusted Earnings per Share

The following table provides a reconciliation of net income to Adjusted Net Income and Adjusted Earnings per Share for the periods presented (amounts in thousands, except per share data):

	Thirteen Weeks Ended	
	May 4, 2024	April 29, 2023
Net income	\$ 76,465	\$ 93,970
Equity compensation (a)	6,138	11,382
Write off of deferred loan costs	449	—
Tax effects of these adjustments (b)	(1,432)	(2,370)
Adjusted Net Income	\$ 81,620	\$ 102,982
Earnings per common share:		
Basic	\$ 1.03	\$ 1.22
Diluted	\$ 1.01	\$ 1.19
Adjusted Earnings per Share:		
Basic	\$ 1.10	\$ 1.34
Diluted	\$ 1.08	\$ 1.30
Weighted average common shares outstanding:		
Basic	73,993	76,862
Diluted	75,798	79,288

(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 weeks ended May 4, 2024 and April 29, 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

The following table provides a reconciliation of net cash provided by operating activities to Adjusted Free Cash Flow for the periods presented (amounts in thousands):

	Thirteen Weeks Ended	
	May 4, 2024	April 29, 2023
Net cash provided by operating activities	\$ 199,677	\$ 52,135
Net cash used in investing activities	(32,355)	(40,547)
Adjusted Free Cash Flow	\$ 167,322	\$ 11,588

Liquidity and Capital Resources

Sources and Uses of Liquidity

Our principal liquidity requirements are for working capital, capital expenditures and cash used to pay our debt obligations and related interest expense. We also use cash to pay dividends and to repurchase common stock. We fund these liquidity requirements through cash and cash equivalents, cash generated from operating activities, issuances of debt (such as the Notes) and borrowings under our ABL Facility. On May 4, 2024, our cash and cash equivalents totaled \$378.1 million. We believe our cash and cash equivalents, as well as our availability under the ABL Facility, will be sufficient to fund our cash requirements for the next 12 months and the longer term foreseeable future.

Long-Term Debt

As of May 4, 2024, the Company's long-term debt and interest rates consist of (see Note 4 to the accompanying financial statements):

- Notes - 6.00% fixed rate senior secured notes with \$400 million in principal outstanding and full principal maturing November 15, 2027;
- Term Loan - 9.19% variable rate term-loan with \$91.0 million in principal outstanding maturing November 6, 2027 and quarterly principal payments of \$750 thousand; and
- ABL Facility - \$1.0 billion commitment on a variable rate secured asset-based revolving credit facility with no principal outstanding maturing March 8, 2029.

The following table summarizes our current debt obligations by fiscal year (amounts in thousands):

	2024	2025	2026	2027	2028	After 2028	Total
Term Loan and related interest ⁽¹⁾	\$ 8,329	\$ 10,262	\$ 9,618	\$ 87,972	—	—	\$ 116,181
Notes and related interest ⁽²⁾	24,000	24,000	24,000	424,000	—	—	496,000
ABL Facility and related interest ⁽³⁾	1,868	2,500	2,500	2,500	2,500	268	12,136

(1) Interest payments do not include amortization of discount and debt issuance costs and are approximated based on projected interest rates and assume no unscheduled principal payments.

(2) Interest payments do not include amortization of debt issuance costs and assumes Notes are paid in full at maturity date.

(3) Assumes a minimum revolving credit commitment of \$1.0 billion and assumes no balances drawn on our ABL Facility.

Liquidity information related to the ABL Facility is as follows for the periods shown (dollar amounts in thousands):

	Thirteen Weeks Ended	
	May 4, 2024	April 29, 2023
Average funds drawn	\$ 129	\$ —
Number of days with outstanding balance	3	—
Maximum daily amount outstanding	\$ 3,900	\$ —
Minimum available borrowing capacity	\$ 977,254	\$ 986,122

Liquidity information related to the ABL Facility (amounts in thousands) as of:

	May 4, 2024	February 3, 2024	April 29, 2023
Outstanding borrowings	\$ —	\$ —	\$ —
Issued letters of credit	11,553	11,553	13,878
Available borrowing capacity	981,154	881,445	986,122

Leases

We predominantly lease store locations, distribution centers, office space and certain equipment under operating leases expiring between fiscal years 2024 and 2044. Operating lease obligations include future minimum lease payments under all of our non-cancelable operating leases at May 4, 2024. The following table summarizes our remaining operating lease obligations by fiscal year:

	2024	2025	2026	2027	2028	After 2028	Total
Operating lease payments ^{(1) (2)}	\$ 152,507	\$ 232,521	\$ 224,695	\$ 210,644	\$ 191,945	\$ 1,004,741	\$ 2,017,053

(1) Minimum lease payments have not been reduced by sublease rentals of \$2.1 million due in the future under non-cancelable sub-leases.

(2) These balances include stores where we have an executed contract but have not taken possession of the location as of May 4, 2024.

Share Repurchases

On June 2, 2022, the Board of Directors of the Company authorized a share repurchase program (the "2022 Share Repurchase Program") under which the Company may purchase up to \$600 million of its outstanding shares during the three-year period ending June 2, 2025. On November 29, 2023, the Board of Directors authorized a new share repurchase program (the "2023 Share Repurchase Program") under which the Company may purchase up to \$600 million of its outstanding shares during the three-year period ending November 29, 2026. The 2022 Share Repurchase Program and the 2023 Share Repurchase Program are collectively referred to as the "Share Repurchase Programs". The Share Repurchase Programs do not obligate the Company to acquire any particular number of common shares, and the programs may be suspended, extended, modified or discontinued at any time. As of May 4, 2024, the Company had \$574.3 million remaining for share repurchases under the Share Repurchase Programs. (see Note 2 to the accompanying financial statements).

The following table summarizes our share repurchases for the 2024 first quarter (dollar amounts in thousands, except per share amounts):

	Total Number of Shares Purchased	Average Price Paid per Share ⁽¹⁾	Total Amount Repurchased ⁽¹⁾
First Quarter (February 4, 2024 to May 4, 2024) ⁽²⁾	1,983,967	61.71	122,425
Total Shares Repurchased	1,983,967	\$ 61.71	\$ 122,425

(1) Excludes the impact of unpaid excise taxes.

(2) See Part II, Item 2 - Unregistered Sales of Equity Securities and Use of Proceeds for further detail on the 2024 first quarter share repurchases.

Dividends

The following table summarizes our quarterly dividend payments for 2024 first quarter (amounts in thousands, except per share amounts):

	Dividend per Share	Total Dividends Paid	Stockholder Date of Record
First Quarter (February 4, 2024 to May 4, 2024)	\$ 0.11	\$ 8,182	March 26, 2024
Total Dividends Paid		<u>\$ 8,182</u>	

On June 6, 2024, the Company's Board of Directors declared a quarterly cash dividend with respect to the fiscal quarter ended May 4, 2024, of \$0.11 per share of the Company's common stock, payable on July 18, 2024, to stockholders of record as of the close of business on June 20, 2024.

Capital Expenditures

The following table summarizes our capital expenditures for the thirteen weeks ended May 4, 2024 and April 29, 2023 (amounts in thousands):

	Thirteen Weeks Ended	
	May 4, 2024	April 29, 2023
New stores	\$ 16,789	\$ 17,207
Corporate, e-commerce and information technology programs	9,706	16,348
Updates for existing stores and distribution centers	5,732	6,909
Total capital expenditures	<u>\$ 32,227</u>	<u>\$ 40,464</u>

We expect capital expenditures for fiscal year 2024 to be between \$225 million and \$275 million. The following table summarizes our forecasted allocation of capital expenditures for fiscal year 2024:

	2024
New stores	55 %
Corporate, e-commerce and information technology programs	25 %
Updates for existing stores and distribution centers	20 %

We review forecasted capital expenditures throughout the year and will adjust our capital expenditures based on business conditions at that time.

Cash Flows for the Thirteen Weeks Ended May 4, 2024 and April 29, 2023

Our unaudited statements of cash flows are summarized as follows (in thousands):

	Thirteen Weeks Ended	
	May 4, 2024	April 29, 2023
Net cash provided by operating activities	\$ 199,677	\$ 52,135
Net cash used in investing activities	(32,355)	(40,547)
Net cash used in financing activities	(137,097)	(53,197)
Net increase (decrease) in cash and cash equivalents	<u>\$ 30,225</u>	<u>\$ (41,609)</u>

Operating Activities. Cash flows from operating activities are seasonal in our business. Typically, cash flows from operations are used to build inventory in advance of peak selling seasons, with the fourth quarter pre-holiday season inventory increase being the most significant.

Cash provided by operating activities in the 2024 first quarter increased \$147.5 million, compared to 2023 first quarter. This increase in cash was attributable to:

- \$17.5 million decrease in net income; offset by
- \$1.9 million net increase in non-cash charges; and
- \$163.1 million net increase in cash flows provided by operating assets and liabilities.

The increase in cash flows from operating assets and liabilities was primarily attributable to:

- \$59.7 million decrease in cash flows from merchandise inventories, net due to higher sales in the prior year period;
- \$52.5 million increase in cash flows from accrued expenses and other current liabilities, primarily driven by a \$43.5 million increase in accrued personnel costs related to bonuses and timing of payments, \$5.7 million change in accrued self-insurance due to timing of payments in the 2023 first quarter compared to the 2024 first quarter, and a \$1.7 million increase in accrued other liabilities in the year-to-date 2024 relative to the prior year; and
- \$159.7 million increase in cash flows from accounts payable, due to timing of payments relative to the prior year first quarter.

Investing Activities. Cash used in investing activities decreased \$8.2 million in the year-to-date 2024 compared to the year-to-date 2023. The decrease in cash used in investing activities is primarily due to:

- \$8.2 million lower capital expenditures, primarily driven by decreased spending related to Corporate, E-commerce, and information technology programs in the year-to-date 2024 compared to the year-to-date 2023.

Financing Activities. Cash used in financing activities increased \$83.9 million in the year-to-date 2024, compared to the year-to-date 2023. The primary drivers of the increase were:

- \$72.4 million increase in cash outflows primarily caused by an increase in repurchases and simultaneous retirement of common stock in the current year;
- \$5.7 million increase in debt issuance fees paid during the current year as part of the ABL Amendment; and
- \$1.3 million increase in dividends paid during the current year.

Critical Accounting Policies and Estimates

This management's discussion and analysis of our financial condition and results of operations is based upon our unaudited financial statements, which have been prepared in accordance with GAAP. The preparation of financial statements in conformity with GAAP requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Our management bases its estimates on historical experience and other assumptions it believes to be reasonable under the circumstances. Actual results could differ significantly from those estimates.

Management evaluated the development and selection of our critical accounting policies and estimates used in the preparation of the Company's unaudited financial statements and related notes and believes these policies to be reasonable and appropriate. Certain of these policies involve a higher degree of judgment or complexity and are most significant to reporting our results of operations and financial position, and are, therefore, discussed as critical. Our most significant estimates and assumptions that materially affect the financial statements involve difficult, subjective or complex judgments by management, including the valuation of merchandise inventories and performing goodwill, intangible and long-lived asset impairment analyses. More information on all of our significant accounting policies can be found in the "Critical Accounting Policies and Estimates" section of the Annual Report entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations." There have been no material changes to our critical accounting policies as compared to the critical accounting policies described in the Annual Report.

Recent Accounting Pronouncements

The information set forth in Note 2 to our unaudited consolidated financial statements under Part I, Item 1 of this Quarterly Report is incorporated herein by reference.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes in our primary risk exposures or management of market risks from those disclosed in the Annual Report under "Management's Discussion and Analysis of Financial Condition and Results of Operations – Quantitative and Qualitative Disclosures About Market Risk."

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as that term is defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) that are designed to ensure that information required to be disclosed in our reports under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer ("CEO") and our Chief Financial Officer ("CFO"), as appropriate, to allow timely decisions regarding required disclosures. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

Our management, with the participation of our CEO and our CFO, evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this Quarterly Report. Based on such evaluation, our CEO and CFO have concluded that, as of the end of the period covered by this Quarterly Report, the design and operation of the Company's disclosure controls and procedures were effective to accomplish their objectives at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

No changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during the period covered by this Quarterly Report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are a defendant or co-defendant in lawsuits, claims and demands brought by various parties relating to matters normally incident to our business. No individual case, or group of cases against us, presenting substantially similar issues of law or fact, is expected to have a material effect on the manner in which we conduct our business or on our consolidated results of operations, financial position or liquidity. The majority of these cases are alleging product, premises, employment and/or commercial liability. Reserves have been established that we believe to be adequate based on our current evaluations and experience in these types of claim situations; however, the ultimate outcome of these cases cannot be determined at this time. We believe, taking into consideration our indemnities, defenses, insurance and reserves, the ultimate resolution of these matters will not have a material impact on our financial position, results of operations or cash flows. In addition, government agencies and self-regulatory organizations have the ability to conduct periodic examinations of and administrative proceedings regarding our business. In May and December 2023, U.S. Customs and Border Protection ("CBP") notified us that we owed additional duties relating to certain products that we imported from China that CBP believes are subject to certain anti-dumping and/or countervailing duties. We do not believe that these products are subject to such duties and are contesting CBP's determination vigorously. While we contest CBP's determination, we were required to deposit with CBP an amount of duties relating to these products, which are included in prepaid expenses and other current assets on the Company's consolidated balance sheet while this matter is pending. We anticipate that this matter will be resolved without a material adverse effect on our financial position, results of operations or cash flows. However, the ultimate outcome of this matter cannot be determined at this time, and we cannot assure you that we will be successful in contesting CBP's determination or that we will not need to accrue or pay additional amounts in the future.

There have been no material developments during the fiscal quarter ended May 4, 2024, with respect to any of the matters discussed under the heading "Legal Proceedings" in the Annual Report. We are not currently party to any other legal proceedings that we believe would have a material adverse effect on our financial position, results of operations or cash flows.

ITEM 1A. RISK FACTORS

You should carefully consider the risk factors discussed in the section of the Annual Report entitled "Risk Factors", which could materially affect our business, financial condition or future results. The risks described in the Annual Report are not the only risks facing the Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition or future results. There have been no material changes to the risk factors discussed in the section of the Annual Report entitled "Risk Factors".

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table summarizes the repurchases and cancellations of shares of our common stock during the 2024 first quarter:

Period	Total Number of Shares Purchased (a)	Average Price Paid per Share (b)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (c)	Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs (c)
February 4, 2024 to March 2, 2024	4,200	\$ 62.82	4,200	\$ 696,425,191
March 3, 2024 to April 6, 2024	507,901	\$ 65.63	507,901	\$ 663,099,502
April 7, 2024 May 4, 2024	1,471,866	\$ 60.35	1,471,866	\$ 574,303,680
Total	1,983,967	\$ 61.71	1,983,967	\$ 574,303,680

(a) The total number of shares repurchased excludes shares which were net-settled, and therefore not issued, to cover employee withholding related to the vesting of certain restricted stock awards and exercise of certain stock option awards.

(b) Excludes the impact of excise taxes.

(c) On June 2, 2022, the Board of Directors of the Company authorized a share repurchase program (the "2022 Share Repurchase Program") under which the Company may purchase up to \$600 million of its outstanding shares during the three-year period ending June 2, 2025. On November 29, 2023, the Board of Directors of the Company authorized a share repurchase program (the "2023 Share Repurchase Program") under which the Company may purchase up to \$600 million of its outstanding shares during the three-year period ending November 29, 2026. The 2022 Share Repurchase Program and the 2023 Share Repurchase Program are collectively referred to as the "Share Repurchase Programs". As of May 4, 2024, approximately \$574.3 million remained available for share repurchases pursuant to the Share Repurchase Programs (see Note 2 to the accompanying financial statements). The Share Repurchase Programs do not obligate the Company to acquire any particular number of common shares, and the programs may be suspended, extended, modified or discontinued at any time.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

ITEM 5. OTHER INFORMATION

(c) Trading Plans

During the quarter ended May 4, 2024, no director or officer (as defined in Rule 16a-1(f) under the Exchange Act) of the Company adopted or terminated any Rule 10b5-1 trading arrangements or non-Rule 10b5-1 trading arrangements (in each case, as defined in Item 408(a) of Regulation S-K).

ITEM 6. EXHIBITS

Exhibit Number	Description of Exhibit
3.1	Amended and Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on October 6, 2020).
3.2	Certificate of Change of Registered Agent and/or Registered Office of the Registrant (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on June 1, 2023).
3.3	Amended and Restated Bylaws of the Registrant (incorporated by reference to Exhibit 3.2 to the Registrant's Quarterly Report on Form 10-Q filed on December 7, 2022).
10.1†*	Matt McCabe Amended and Restated Employment Agreement, dated June 5, 2023.
10.2†*	Bill Ennis Amended and Restated Employment Agreement, dated December 15, 2023.
10.3	Amendment No. 4, dated March 8, 2024, to the First Amended and Restated ABL Credit agreement, dated as of July 2, 2015, among Academy, Ltd., as borrower, New Academy Holding Company, LLC, Associated Investors, L.L.C., and Academy Managing Co., L.L.C., as guarantors, the several lenders from time to time party thereto and JPMorgan Chase Bank, N.A., as the letter of credit issuer, swingline lender, administrative agent and collateral agent (incorporated by reference to Exhibit 10.1 of the Registrant's Current Report on Form 8-K filed on March 8, 2024).
10.4†	Non-Employee Director Compensation Policy, effective March 18, 2024 (incorporated by reference to Exhibit 10.66 to the Registrant's Current Report on Form 10-K filed on March 21, 2024).
31.1*	Certification of Periodic Report by Chief Executive Officer under Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Periodic Report by Chief Financial Officer under Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document - The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Calculation Linkbase Document
101.DEF	XBRL Taxonomy Definition Linkbase Document
101.LAB	XBRL Taxonomy Label Linkbase Document
101.PRE	XBRL Taxonomy Presentation Linkbase Document
*	Filed herewith
**	Furnished herewith
†	Management contract or compensatory plans or arrangements.

The agreements and other documents filed as exhibits to this report are not intended to provide factual information or other disclosure other than with respect to the terms of the agreements or other documents themselves, and you should not rely on them for that purpose. In particular, any representations and warranties made by us in these agreements or other documents were made solely within the specific context of the relevant agreement or document and may not describe the actual state of affairs as of the date they were made or at any other time.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Quarterly Report on Form 10-Q to be signed on June 11, 2024 on its behalf by the undersigned, thereto duly authorized.

ACADEMY SPORTS AND OUTDOORS, INC.

By: /s/ EARL CARLTON FORD, IV
Earl Carlton Ford, IV
Executive Vice President and Chief Financial Officer
(principal financial officer and authorized signatory)

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this “**Agreement**”), dated as of June 25, 2023, is entered into by and among Matt McCabe (the “**Executive**”), Academy Managing Co., L.L.C., a Texas limited liability company (the “**Company**”) and Academy Sports and Outdoors, Inc., a Delaware corporation (the “**Parent**,” and together with its subsidiaries and affiliates, the “**Company Group**”).

WHEREAS, the Company wishes to continue to employ the Executive as the Executive Vice President and Chief Merchandising Officer of the Company and the Executive wishes to continue to work as the Executive Vice President and Chief Merchandising Officer of the Company; and

WHEREAS, the Company and the Executive wish to enter into this Agreement on the terms and conditions set forth below; and

WHEREAS, this Agreement is intended to supersede any and all prior agreements, arrangements or understandings between the Executive and the Company relating to the Executive’s provision of services to Company, including that certain Team Member Employment Agreement, dated January 5, 2017, by and among Executive and the Company (the “**Prior Arrangements**”), which Prior Arrangements shall be null and void and of no further force or effect upon and following the Effective Date.

NOW, THEREFORE, it is hereby agreed as follows:

1. EMPLOYMENT AND TERM. The Company hereby agrees to continue to employ the Executive, and the Executive hereby accepts such continued employment, on the terms and conditions hereinafter set forth. The period of employment of the Executive by the Company hereunder (the “**Employment Period**”) shall commence on June 25, 2023 (such date, the “**Effective Date**”) and shall end when terminated by either the Company or the Executive in accordance with Section 5 hereof.

2. POSITION AND DUTIES.

(a) As of the Effective Date, the Executive shall serve as the Executive Vice President and Chief Merchandising Officer of the Company Group, in which capacity the Executive shall have such duties and authority as are customary to such position and as otherwise determined from time to time by the Company. The Executive shall report to the Chief Executive Officer of the Company Group (the “**CEO**”) or such other officer as may be designated by the Company from time to time. The Executive shall, if requested, also serve as an officer or director of any member of the Company Group for no additional compensation.

(b) During the Employment Period, the Executive agrees to devote the Executive’s full time and reasonable best efforts to the performance of the Executive’s duties to the Company Group. The foregoing shall not be construed to prohibit the Executive from

engaging in activities relating to serving on civic and charitable boards or committees, managing personal investments, and otherwise engaging in activities as approved in writing by the CEO; provided that such activities do not significantly interfere or conflict with the performance by the Executive of the Executive's duties, responsibilities, or authorities hereunder.

3. PLACE OF PERFORMANCE. During the Employment Period, the Executive's principal business address shall continue to be at the Company's current principal executive offices in Katy, Texas (the "**Principal Place of Employment**"). The Executive acknowledges that the Executive's duties and responsibilities shall require the Executive to travel on business to the extent reasonably necessary to fully perform the Executive's duties and responsibilities hereunder.

4. COMPENSATION AND RELATED MATTERS.

(a) *Base Salary.* Commencing as of the Effective Date, the Company shall pay the Executive an annual base salary of \$500,000.00 (the "**Base Salary**"), payable in accordance with the Company's customary payroll practices. The Base Salary may, at the discretion of the Board of Directors of the Parent (the "**Board**") or any committee thereof, be adjusted during the Employment Period.

(b) *Annual Bonuses.* During the Employment Period, the Executive shall be eligible to receive an annual cash bonus based on performance objectives established by the Board or a committee thereof for each fiscal year (the "**Annual Bonus**"). The Executive's target Annual Bonus amount will be the 120% of the Base Salary in effect as of the end of the fiscal year applicable to such Annual Bonus, or such other percentage of Base Salary designated as the target by the Board or a committee thereof (the "**Target Bonus Opportunity**"). Notwithstanding the preceding, the Executive's Annual Bonus, if any, may be below (including zero), at, or above the target based upon the achievement of the performance objectives.

The actual Annual Bonus payable, if any, shall be determined based on the achievement of the pre-established performance targets for each applicable fiscal year, with any Annual Bonus earned thereunder to be paid in the immediately following fiscal year in accordance with the Company's annual incentive plan; provided, that except as expressly provided otherwise herein, the Executive's continued employment or service through the payment date shall be required in order for Executive to earn such Annual Bonus. Except as specifically provided in Section 7 hereof, the Executive shall not be entitled to a pro rata Annual Bonus upon a termination of employment for any reason. For the avoidance of doubt, the Annual Bonus for fiscal year 2023 shall be pro-rated and determined in accordance with the applicable plan documents then in effect for the period commencing on January 29, 2023 and ending on the day immediately prior to the Effective Date and the period commencing on the Effective Date and until the end of fiscal year 2023.

(c) *Expenses.* The Company Group shall reimburse the Executive for all reasonable business, entertainment and travel expenses incurred during the Employment Period by the Executive in performing services hereunder, including all travel expenses while away from the Katy, Texas area on business or at the request of and in the service of the Company:

provided, in each case, that such expenses are incurred, accounted for, and reimbursed in accordance with the Company's expense reimbursement policy.

(d) *Other Benefits.* During the Employment Period, the Executive shall be entitled to participate in the Company's employee benefit plans as in effect from time to time (the "**Employee Benefits**"), on the same basis as those benefits are generally made available to other senior executives of the Company, in each case to the extent that the Executive is eligible under the terms of such plans or programs. The Company shall have the right to change, amend or discontinue any benefit plan, program, or arrangement at any time.

(e) *Paid Time Off.* During the Employment Period, the Executive shall be entitled to accrue paid time off ("**PTO**") in accordance with the Company's standard PTO policy in effect from time to time. Upon a termination of Executive's employment with the Company, accrued but unused PTO will be treated in accordance with such PTO policy and subject to applicable law.

(f) *Annual Equity Grants.* The Executive's eligibility to receive and the terms and conditions of future annual equity awards will be determined by the Board or a committee thereof in its sole discretion.

5. TERMINATION. The Employment Period shall end and this Agreement and the Executive's employment shall terminate in the event of a termination of the Executive's employment in accordance with any of the provisions of this Section 5 and Section 6, as applicable, on the Date of Termination.

(a) *Death.* The Executive's employment hereunder and this Agreement shall terminate upon the Executive's death.

(b) *Disability.* The Company may terminate the Executive's employment and this Agreement as a result of the Executive's Disability. For purposes of this Agreement, "**Disability**" means a condition entitling the Executive to receive benefits under a long-term disability plan of any member of the Company Group in which the Executive is eligible to participate, or, in the absence of such a plan, the complete and permanent inability of the Executive by reason of illness or accident to perform the duties of the Executive's position. Any determination of whether Disability exists in the absence of a long-term disability plan shall be made by the Company in its sole and absolute discretion.

(c) *Cause.* The Company may terminate the Executive's employment hereunder and this Agreement for Cause. For purposes of this Agreement, the Company shall have "**Cause**" to terminate the Executive's employment hereunder upon the occurrence of any of the following events:

(i) the Executive's willful neglect in the performance of the Executive's duties for the Company Group or willful or repeated failure or refusal to perform such duties;

(ii) the Executive's engagement in conduct in connection with the Executive's employment or service with the Company Group, which results in, or could reasonably be expected to result in, material harm to the business or reputation of the Company or any other member of the Company Group;

(iii) the Executive's conviction of, or plea of guilty or no contest to, (A) any felony; or (V) any other crime that results in, or could reasonably be expected to result in, material harm to the business or reputation of the Company or any other member of the Company Group;

(iv) the Executive's material violation of any of the written policies of the Company Group, including, but not limited to, those relating to sexual harassment or the disclosure or misuse of confidential information, and the Ethics and Code of Conduct Policy;

(v) the Executive's fraud or misappropriation, embezzlement or misuse of funds or property belonging to the Company or any other member of the Company Group; or

(vi) the Executive's act of personal dishonesty that involves personal profit in connection with the Executive's employment or service to the Company Group.

(d) *Good Reason.* The Executive may terminate the Executive's employment hereunder for Good Reason. "**Good Reason**" for the Executive's termination of employment shall mean the occurrence, without the Executive's prior written consent, of any one or more of the following that constitutes a material negative change to the Executive in the service relationship:

(i) a reduction in the Base Salary, other than as part of an across the board reduction in base salaries of no more than 15% that is applied to all similarly situated executives;

(ii) the Company requiring the Executive to be based at any office located more than 50 miles from Katy, Texas; or

(iii) a material breach by the Company or the Parent of any material provision of this Agreement.

Notwithstanding the foregoing, Good Reason shall cease to exist unless (A) within sixty (60) days of Executive's knowledge of the initial existence of the condition or conditions giving rise to Good Reason the Executive provides written notice to the Company of the existence of such condition or conditions, (B) the Company fails to remedy such condition or conditions within thirty (30) days following the receipt of such written notice (the "**Cure Period**"), (C) if any such condition is not remedied within such Cure Period, the Executive provides a notice of termination for Good Reason to the Company and (D) the Executive's employment terminates on the termination date set forth in such notice of termination.

(e) *Without Cause or Good Reason.* Either party hereto may terminate the employment of the Executive and this Agreement at any time, without Cause in the case of the Company and without Good Reason in the case of the Executive, by giving the other party prior written Notice of Termination in accordance with Section 6 hereof; provided, that the Executive shall be required to deliver such written notice to the Board at least thirty (30) days' prior to the Date of Termination if the Executive intends to terminate the Executive's employment without Good Reason.

6. TERMINATION PROCEDURE.

(a) *Notice of Termination.* Any termination of the Executive's employment by the Company or by the Executive (other than a termination pursuant to Section 5(a) hereof) shall be communicated by written Notice of Termination to the other party hereto in accordance with Section 11 hereof. For purposes of this Agreement, a "**Notice of Termination**" shall mean a notice that shall indicate the specific termination provision in this Agreement relied upon and, except in the case of termination pursuant to Section 5(e) hereof, shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated (including, in the case of any Notice of Termination for Good Reason, a specific description of the event that the Executive believes constitutes an event of Good Reason).

(b) *Date of Termination.* "**Date of Termination**" shall mean the effective date of termination of the Executive's employment for any reason, which shall be (i) if the Executive's employment is terminated pursuant to Section 5(a) hereof, the date of the Executive's death, (ii) if the Executive's employment is terminated pursuant to Section 5(b) or 5(c) hereof, the date specified in the Notice of Termination, which date may be no earlier than the date the Executive is given notice in accordance with Section 11 hereof, (iii) if the Executive's employment is terminated pursuant to Section 5(d) hereof, the date on which a Notice of Termination is given or any later date (within thirty (30) days of the date of such Notice of Termination) set forth in such Notice of Termination, or (iv) if the Executive's employment is terminated for any other reason, the date specified in the Notice of Termination; provided, that if the Executive's employment is terminated by the Executive without Good Reason, such date shall be at least thirty (30) days following the date on which Notice of Termination is given (unless the Company accepts the Executive's resignation prior to the expiration of such 30-day notice period). The Company may also place the Executive on "garden leave" for all or any portion of such notice period.

7. COMPENSATION UPON TERMINATION.

(a) *Disability; Death.* Following the termination of the Executive's employment pursuant to Section 5(a) or Section 5(b) hereof, the Company Group shall pay to the Executive (or the Executive's designated beneficiary or legal representative, if applicable):

(i) the Base Salary accrued through the date of termination, payable within thirty (30) days after the Date of Termination (or such earlier date as may be required by applicable law);

(ii) reimbursement for any unreimbursed business expenses properly incurred by the Executive in accordance with Company policy prior to the date of Executive's termination; provided, that claims for such reimbursement (accompanied by appropriate supporting documentation) are submitted to the Company within 60 days following the date of the Executive's termination of employment;

(iii) such Employee Benefits, if any, as to which Executive may be entitled under the employee benefit plans of the Company Group, which shall be paid in accordance with the terms of the applicable plans (the amounts described in clauses (i) through (iii) hereof, the "**Accrued Obligations**"); and

(iv) any Annual Bonus for the fiscal year of the Company immediately preceding the fiscal year of the Company in which the Date of Termination occurs, earned but not paid as of the Date of Termination to be paid on the date when bonuses are otherwise paid to Company Group executives, and in all events by March 15 of the calendar year following the year in which the Date of Termination occurs;

(b) *By the Company for Cause or by the Executive Without Good Reason.* If during the Employment Period the Executive's employment is terminated by the Company for Cause pursuant to Section 5(c) hereof or by the Executive without Good Reason pursuant to Section 5(e) hereof, the Company Group shall pay to the Executive the Accrued Obligations. Following such payments, the Company Group shall have no further obligations, including with respect to any Annual Bonus, to the Executive other than as may be required by law.

(c) *By the Company Without Cause or by the Executive for Good Reason.* If during the Employment Period the Executive's employment is terminated by the Company without Cause, other than as a result of the Executive's death or Disability, or if the Executive terminates the Executive's employment for Good Reason, then the Company Group shall pay to the Executive:

(i) the Accrued Obligations;

(ii) any Annual Bonus for the fiscal year of the Company immediately preceding the fiscal year of the Company in which the Date of Termination occurs, earned but not paid as of the Date of Termination, to be paid on the date when bonuses are otherwise paid to Company Group executives, and in all events by March 15 of the calendar year following the year in which the Date of Termination occurs;

(iii) a cash severance payment in an amount equal to the product of (x) two (2) multiplied by (y) the sum of (A) the Base Salary and (B) the average Annual Bonus paid to (or earned by, to the extent not yet paid as of the Date of Termination) the Executive for the two fiscal years of the Company immediately preceding the fiscal year in which the Date of Termination occurs. The Company shall make such payment in equal installments ratably over twenty-four (24) months following the Date of Termination (the "**Severance Period**") in accordance with the Company's normal payroll cycle and procedures, with the first installment to be paid on the first payroll date

following the date on which the Release (as defined in Section 7(f) below) becomes irrevocable (the “**Release Effective Date**”); provided, that if the Executive’s death occurs subsequent to the Date of Termination, any unpaid installments shall be paid to the Executive’s estate or beneficiaries in a lump sum payment within thirty (30) days following the date of the Executive’s death;

(iv) a pro rata portion of the actual Annual Bonus that would have been earned by Executive for the fiscal year in which the Date of Termination occurs (assuming Executive achieved any individual goals for such fiscal year at 100% of target), based on the number of days between and including the first day of the fiscal year of the Company in which the Date of Termination occurs and the Date of Termination, payable on the date when bonuses are otherwise paid to Company executives and in all events by March 15 of the calendar year following the year in which such termination occurs. The Company shall make such payment in a lump sum when annual bonuses for the fiscal year in which the Date of Termination occurs are otherwise paid to other similarly situated employees of the Company Group;

(v) subject to the Executive’s timely election of continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (“**COBRA**”), a cash payment in an amount equal to (A) the total monthly employer contribution rate for Executive’s and any covered dependent’s participation in the medical insurance benefits of the Company (determined based on the rate in effect on the Date of Termination) *multiplied by* (B) the number of months in the Severance Period. Such amount shall be payable to the Executive in a lump-sum amount in accordance with the Company’s normal payroll cycle and procedures on the first payroll date following the Release Effective Date;

(d) *No Duty to Mitigate; Release.* The Company agrees that, if the Executive’s employment with the Company terminates for any reason during the Employment Period, the Executive is not required to seek other employment or to attempt in any way to reduce any amounts payable to the Executive by the Company pursuant to this Section 7. Notwithstanding anything to the contrary contained herein, payments to the Executive (or the Executive’s designated beneficiary or legal representative, if applicable) under this Section 7 (other than the Accrued Obligations) are contingent upon (i) the Executive’s continued compliance with the provisions of Section 8 hereof and (ii) the Executive’s execution and delivery, without revocation, of a fully effective release in substantially the form of Exhibit A attached hereto (the “**Release**”), which Release must be executed (and not revoked) by the Executive on or prior to the sixtieth (60th) day following the Date of Termination (such sixty-day period, the “**Release Period**”). Notwithstanding the foregoing, to the extent required to comply with Section 409A, if the Release Period straddles the ending and beginning of two (2) consecutive calendar years, then the first installment of any installment payments of severance payable to the Executive under this Section 7 shall be paid on the first regularly scheduled payroll date that occurs in the second calendar year.

8. RESTRICTIVE COVENANTS.

(a) *Confidential Information.* The Company agrees to provide the Executive certain trade secrets, confidential information and knowledge or data relating to the Company Group and its businesses during the Employment Period. The Executive shall hold in a fiduciary capacity for the benefit of the Company Group all trade secrets, confidential information, and knowledge or data relating to the Company Group and its businesses, which shall have been obtained by the Executive during the Executive's employment by any member of the Company Group (hereinafter being collectively referred to as "**Confidential Information**"). For the avoidance of doubt, Confidential Information shall not include information that:

(i) was already in the Executive's possession prior to the Executive's commencement of employment with the Company Group; provided, that the information is not known by the Executive to be subject to another confidentiality agreement with, or otherwise subject to an obligation of secrecy to, any member of the Company Group,

(ii) becomes generally available to the public other than as a result of acts by the Executive or representatives of the Executive in violation of this Agreement, or

(iii) becomes available to the Executive on a non-confidential basis from a source other than the Company Group or any of its directors, managers, officers employees, agents or advisors; provided, that such source is not known by the Executive to be bound by a confidentiality agreement with, or otherwise bound by an obligation of secrecy to, any member of the Company Group.

The Executive shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, other than in the good faith performance of the Executive's duties, communicate or divulge any such trade secrets, information, knowledge or data to anyone other than the Company Group and those designated by the Company. Any termination of the Executive's employment or of this Agreement shall have no effect on the continuing operation of this Section 8(a).

The Executive agrees to return all Confidential Information, including all photocopies, extracts and summaries thereof, and any such information stored electronically on tapes, computer disks or in any other manner to the Company at any time upon request by the Company and upon the termination of the Executive's employment hereunder for any reason. Notwithstanding anything herein to the contrary, the Company hereby acknowledges and agrees that the Executive may retain, as the Executive's own property, copies of the Executive's individual personnel documents, such as payroll and tax records and similar personal records as well as the Executive's rolodex and the Executive's address book, whether electronic or in hard copy.

Nothing in this Agreement shall prohibit or impede the Executive from communicating, cooperating or filing a complaint with any U.S. federal, state or local governmental or law enforcement branch, agency or entity (collectively, a "**Governmental Entity**") with respect to possible violations of any U.S. federal, state or local law or regulation, or otherwise making disclosures to any Governmental Entity, in each case, that are protected under the whistleblower provisions of any such law or regulation, provided, that in each case such communications and

disclosures are consistent with applicable law. The Executive does not need the prior authorization of (or to give notice to) the Company regarding any such communication or disclosure. Executive understands and acknowledges that an individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that is made (A) in confidence to a Federal, State, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of the law; or (B) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Executive understands and acknowledges further that an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal; and does not disclose the trade secret, except pursuant to court order. Notwithstanding the foregoing, under no circumstance is the Executive authorized to disclose any information covered by the Company Group's attorney-client privilege or attorney work product or the Company Group's trade secrets without prior written consent of the Company's General Counsel.

(b) *Intellectual Property.* If the Executive creates, invents, designs, develops, contributes to or improves any works of authorship, inventions, intellectual property, materials, documents or other work product (including, without limitation, research, reports, software, databases, systems, applications, presentations, textual works, content or audiovisual materials) ("**Works**"), either alone or with third parties, at any time during the Executive's employment by the Company Group and within the scope of such employment and/or with the use of any the Company Group resources or as the result of any work performed by the Executive for the Company Group ("**Company Works**"), the Executive shall promptly and fully disclose same to the Company and hereby unconditionally and irrevocably assigns, transfers and conveys, to the maximum extent permitted by applicable law, all rights, title, interest and intellectual property rights therein (including rights under patent, industrial property, copyright, trademark, trade secret, unfair competition and related laws) to the Company to the extent ownership of any such rights does not vest originally in the Company. In addition to, and without limitation of the foregoing, the Executive acknowledges and agrees that all of the Executive's contributions to works of authorship within the scope of the Executive's employment shall be regarded as "Work Made for Hire" (as that term is used in the United States Copyright Act, 17 U.S.C. § 101) by the Executive for the Company.

To the extent that the Works contain any inventions, developments, concepts, improvements, designs, discoveries, ideas, data, documentation, information, materials, programs, systems, techniques, trademarks, domain names, or works of authorship created by the Executive before the Executive was employed by the Company (the "**Preexisting Works**"), the Executive hereby grants the Company an irrevocable, perpetual, worldwide, royalty-free, non-exclusive license to use, practice, copy, distribute, publish, perform, display, modify, create derivative works of, and otherwise utilize the Preexisting Works for any purpose whatsoever.

The Executive agrees to keep and maintain adequate and current written records (in the form of notes, sketches, drawings, and any other form or media requested by the Company) of all

Company Works. The records will be available to and remain the sole property and intellectual property of the Company at all times.

The Executive shall take all requested actions and execute all requested documents (including any licenses or assignments required by a government contract) at the Company's expense (but without further remuneration) necessary to assist the Company in validating, maintaining, protecting, enforcing, perfecting, recording, patenting or registering any of the Company's rights in the Company Works. If the Company is unable for any other reason to secure the Executive's signature on any document necessary for this purpose, then the Executive hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as the Executive's agent and attorney in fact, to act for and in the Executive's behalf and stead to execute any necessary documents and to do all other lawfully permitted acts in connection with the foregoing.

In the event that any of the foregoing provisions with respect to the Works are deemed invalid or ineffective to vest ownership of the Works with the Company, the Executive hereby grants the Company an irrevocable, perpetual, worldwide, royalty-free license to use, practice, copy, distribute, publish, perform, display, modify, create derivative works of, and otherwise utilize the Works for any purpose whatsoever.

The Executive shall not improperly use for the benefit of, bring to any premises of, divulge, disclose, communicate, reveal, transfer or provide access to, or share with the Company Group any confidential, proprietary or non-public information or intellectual property relating to a former employer or other third party without the prior written permission of such third party. The Executive shall comply with all relevant policies and guidelines of the Company, including, without limitation, policies and guidelines regarding the protection of confidential information and intellectual property and potential conflicts of interest. The Executive acknowledges that the Company may amend any such policies and guidelines from time to time, and that the Executive remains at all times bound by their most current version.

(c) *Non-Competition.* In consideration of the payments, benefits and other obligations of the Company to the Executive pursuant to this Agreement, including, without limitation, the Company's provision to the Executive of Confidential Information pursuant to Section 8(a) hereof, and in order to protect such Confidential Information and preserve the goodwill of the Company Group, the Executive hereby covenants and agrees that, during the Employment Period and for a period of twenty-four (24) months following the Date of Termination (the "**Restricted Period**"), the Executive shall not, without the prior written consent of the Company, directly or indirectly, for the Executive or for others, as an owner, investor, partner, shareholder, agent, representative, employee, officer, director, consultant, contractor, lender or otherwise (except for owning an investment interest of less than two percent (2%) in a publicly-traded company), participate in any business engaged primarily in the retail sale of sporting goods and outdoor products, including but not limited to the following companies and any of their successors, affiliates, or subsidiaries: Dick's Sporting Goods, Inc.; Cabela's Inc.; The Sports Authority, Inc.; Bass Pro Shops, Inc.; Gander Mountain Company/Gander Outdoors/Camping World; Hibbett Sports, Inc.; Big Five Sporting Goods; Champs Sporting Goods; City

Sports; Eastbay; Fanatics; Foot Locker; WSS; Kansas Sampler; Lululemon Athletica; Rally House; REI Co-op; Scheels and Sportsman Warehouse. This restriction does not include (i) multi-purpose retailers, such as Wal-Mart Stores, Inc. and Target Corp., where the sale of sporting goods and outdoor products by such retailer is less than fifty percent (50%) of such retailer's total sales; and (ii) any business engaged primarily in the retail sale of sporting goods and outdoor products with total sales from all sources (including retail stores, on-line, subsidiaries and affiliates) of less than \$250 million annually.

(d) *Non-Disparagement.* The Executive will not, other than as required by law or by order of a court or other competent authority, make or publish, or cause any other person to make or publish, any statement that is disparaging or that reflects negatively upon the Company Group or its affiliates, including members of the Board and management team, or that is or reasonably would be expected to be damaging to the reputation of the Company Group or its affiliates. Nothing in this Agreement prevents the Executive from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that the Executive have reason to believe is unlawful or from exercising any protected rights under Section 7 of the National Labor Relations Act.

(e) *Non-Solicitation; No-Hire.* In further consideration of the payments, benefits and other obligations of the Company to the Executive pursuant to this Agreement, the Executive hereby covenants and agrees that, during the Employment Period and the Restricted Period, the Executive will not, directly or indirectly, for the Executive's benefit or for the benefit of any other person, firm or entity, do any of the following:

(i) solicit on the Executive's own behalf or on behalf of another person or entity, the employment or services of any individual who was an employee, consultant or independent contractor of any member of the Company Group at any time during the six (6) month period immediately prior to the Date of Termination;

(ii) hire any individual who was an employee, consultant or independent contractor of any member of the Company Group at any time during the six (6) month period immediately prior to the Date of Termination; or

(iii) call on, solicit or service any customer, vendor, supplier, licensee, licensor or other business relation of the Company Group in order to induce or attempt to induce such person to cease doing business with, or reduce the amount of business conducted with, the Company Group, or otherwise knowingly interfere in any material respect with the business of any member of the Company Group (other than consumers) or the relationship with any such customer, vendor, supplier, licensee, licensor or other business relation of the Company Group that existed prior to the Date of Termination.

Notwithstanding the foregoing, the restrictions in this Section 8(e) shall not apply with regard to general solicitations of the Executive that are not specifically directed to employees, consultants or independent contractors of any member of the Company Group.

(f) *Enforcement.* The Executive and the Company agree and acknowledge that the Company has a substantial and legitimate interest in protecting the Company's Confidential Information and goodwill. The Executive and the Company further agree and acknowledge that the provisions of this Section 8 are reasonably necessary to protect the Company's legitimate business interests and are designed to protect the Company's Confidential Information and goodwill. The Executive agrees that the scope of the restrictions as to time, geographic area, and scope of activity in this Section 8 are reasonably necessary for the protection of the Company Group's legitimate business interests and are not oppressive or injurious to the public interest. The Executive agrees that in the event of a breach or threatened breach of any of the provisions of this Section 8 the Company shall be entitled to injunctive relief against the Executive's activities to the extent allowed by applicable law, and the Executive waives any requirement for the posting of any bond by the Company in connection with such action. In addition, the Company shall be entitled to immediately cease paying any amounts remaining due pursuant to Section 7 hereof (other than the Accrued Obligations), in the event that the Executive has violated any provision of Section 8. In the event that any court determines that any restriction in this Agreement constitutes an unreasonable restriction against the Executive, the Executive and the Company agree that the provisions of this Agreement shall not be rendered void but shall apply as to time, territory or to such other extent as such court may determine or indicate constitutes a reasonable restriction under the circumstances involved. The Executive further agrees that any breach or threatened breach of any of the provisions of Section 8(a), (b), (c) or (d) would cause injury to the Company for which monetary damages alone would not be a sufficient remedy.

9. SECTION 409A.

(a) Compliance With 409A. The parties hereby agree that the provisions of this Agreement shall be interpreted to comply with or be exempt from Section 409A, and all provisions of this Agreement shall be construed in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. If any provision of this Agreement (or of any award of compensation, including equity compensation or benefits) would cause the Executive to incur any additional tax or interest under Section 409A and modifying it would avoid such additional tax, the Company shall, after consulting with the Executive, reform such provision to comply with or avoid application of Section 409A; provided, that the Company agrees to maintain, to the maximum extent practicable, the original intent and economic benefit to the Executive of the applicable provision without violating the provisions of Section 409A.

(b) Six-month Wait for Specified Employees. Notwithstanding any provision to the contrary in this Agreement, if the Executive is deemed on the Date of Termination to be a Specified Employee and the Company is a public company, then with regard to any payment or the provision of any benefit that is required to be delayed in compliance with Section 409A(a)(2)(B) of the Code (as defined below), such payment or benefit shall not be made or provided (subject to the last sentence hereof) prior to the earlier of (i) the expiration of the six (6) month period measured from the date of the Executive's Separation From Service or (ii) the date of the Executive's death (such relevant period, the "**Delay Period**"). Upon the expiration of the Delay Period, all payments and benefits delayed pursuant to this Section 9(b) (whether they

would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to the Executive in a lump sum, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein. Notwithstanding the foregoing, to the extent that the foregoing applies to the provision of any ongoing welfare benefits to the Executive that would not be required to be delayed if the premiums therefore were paid by the Executive, the Executive shall pay the full cost of premiums for such welfare benefits during the Delay Period and the Company Group shall pay the Executive an amount equal to the amount of such premiums paid by the Executive during the Delay Period promptly after its conclusion. For purposes of this Agreement, the terms “**Separation From Service**” and “**Specified Employee**” shall have the meanings ascribed to those terms in Section 409A, the term “**Section 409A**” means Section 409A of the Internal Revenue Code of 1986, as amended (the “**Code**”), and the regulations issued thereunder by the Internal Revenue Service and the Department of Treasury.

(c) Termination as a Separation from Service. A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits subject to Section 409A upon or following a termination of employment unless such termination is also a Separation From Service and, for purposes of any such provision of this Agreement, references to a “termination,” “termination of employment” or like terms shall mean Separation From Service.

(d) Payment Period for Reimbursements, In-Kind Benefits. All reimbursements for costs and expenses pursuant this Agreement shall be paid in no event later than the end of the calendar year following the calendar year in which the Executive incurs such expense. With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits, except as permitted by Section 409A, (i) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, and (ii) the amount of expenses eligible for reimbursements or in-kind benefits provided during any taxable year shall not affect the expenses eligible for reimbursement or in-kind benefits to be provided in any other taxable year; provided, that the foregoing clause (ii) shall not be violated with regard to expenses reimbursed under any arrangement covered by Section 105(b) of the Code solely because such expenses are subject to a limit related to the period the arrangement is in effect.

(e) Payments Within Specified Number of Days. Whenever a payment under this Agreement specifies a payment period with reference to a number of days (e.g., “payment shall be made within thirty (30) days following the Date of Termination”), the actual date of payment within the specified period shall be within the sole discretion of the Company.

(f) Installments as Separate Payment. If under this Agreement, an amount is to be paid in two or more installments, for purposes of Section 409A, each installment shall be treated as a separate payment.

10. SUCCESSORS; BINDING AGREEMENT.

(a) *Company’s Successors.* The Company and the Parent will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or

substantially all of the business and/or assets of the Company and/or the Company Group, as applicable, to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company and the Parent to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a breach of this Agreement and shall entitle the Executive to compensation from the Company in the same amount and on the same terms as the Executive would be entitled to hereunder if the Executive terminated the Executive's employment for Good Reason, except that for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the Date of Termination. As used in this Section 10(a), the term "Company" shall mean the Company as hereinbefore defined and any successor to the business and/or assets of the Company and/or the Company Group as aforesaid (including but not limited to an acquirer of such business and/or assets) that executes and delivers the agreement provided for in this Section 10 or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law or otherwise.

(b) *Executive's Successors.* This Agreement and all rights of the Executive hereunder shall inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If the Executive should die while any amounts would still be payable to the Executive hereunder if the Executive had continued to live or any amount is payable under this Agreement as a result of the Executive's death, all such amounts unless otherwise provided herein shall be paid in accordance with the terms of this Agreement to the Executive's devisee, legatee or other designee or, if there is no such designee, to the Executive's estate.

(c) *Assignment.* This Agreement may be assigned by the Company and the Parent to any member of the Company Group. Upon such assignment, the rights and obligations of the Company or the Parent, as applicable, hereunder shall become the rights and obligations of such affiliate or successor person or entity.

11. NOTICE. For the purposes of this Agreement, notices, demands and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when delivered or (unless otherwise specified) mailed by United States certified or registered mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive, to the last address shown on records of the Company;

If to the Company or the Parent:

Academy Sports and Outdoors, Inc.
1800 North Mason Road
Katy, Texas 77449
Attention: General Counsel

or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

12. SECTION 280G. Notwithstanding anything to the contrary in this Agreement, if the Executive is a “disqualified individual” (as defined in Section 280G(c) of the Code), and the payments and benefits provided for under this Agreement, together with any other payments and benefits which the Executive has the right to receive from the Company Group, would constitute a “parachute payment” (as defined in Section 280G(b)(2) of the Code), then the payments and benefits provided for under this Agreement shall be either (a) reduced (but not below zero) so that the present value of such total amounts and benefits received by the Executive from the Company Group will be one dollar (\$1.00) less than three times the Executive’s “base amount” (as defined in Section 280G(b)(3) of the Code) and so that no portion of such amounts and benefits received by the Executive shall be subject to the excise tax imposed by Section 4999 of the Code or (b) paid in full, whichever produces the better net after-tax position to the Executive (taking into account any applicable excise tax under Section 4999 of the Code and any other applicable taxes). The reduction of payments and benefits hereunder, if applicable, shall be made by reducing, first, payments or benefits to be paid in cash hereunder in the order in which such payment or benefit would be paid or provided (beginning with such payment or benefit that would be made last in time and continuing, to the extent necessary, through to such payment or benefit that would be made first in time) and, then, reducing any benefit to be provided in kind hereunder in a similar order. The determination as to whether any such reduction in the amount of the payments and benefits provided hereunder is necessary shall be made by the Company in good faith. If a reduced payment or benefit is made or provided and through error or otherwise that payment or benefit, when aggregated with other payments and benefits from the Company (or its Affiliates) used in determining if a parachute payment exists, exceeds one dollar (\$1.00) less than three times the Executive’s base amount, then the Executive shall immediately repay such excess to the Company upon notification that an overpayment has been made. Nothing in this Section 12 shall require the Company Group to be responsible for, or have any liability or obligation with respect to, the Executive’s excise tax liabilities under Section 4999 of the Code.

13. AMENDMENT OR MODIFICATION; WAIVER. This Agreement may not be altered, modified, or amended except by written instrument signed by the parties hereto. In the event of any inconsistency between this Agreement and any other plan, program, practice or agreement of which the Executive is a participant or a party, this Agreement shall control unless such other plan, program, practice or agreement specifically refers to the provisions of this sentence. The failure of a party to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver of such party’s rights or deprive such party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement.

14. DISPUTE RESOLUTION.

(a) **THE PARTIES AGREE TO SUBMIT ALL DISPUTES AND/OR ACTIONS REGARDING THIS AGREEMENT TO THE EXCLUSIVE JURISDICTION OF THE STATE OR FEDERAL COURTS IN HARRIS COUNTY, TEXAS. EACH OF THE PARTIES WAIVES ANY RIGHTS TO A TRIAL BY JURY.**

(b) **EXCEPT WHERE INJUNCTIVE OR OTHER EMERGENCY RELIEF IS SOUGHT, THE PARTIES AGREE THAT, AS A CONDITION PRECEDENT**

TO ANY ACTION REGARDING DISPUTES ARISING UNDER THIS AGREEMENT, SUCH DISPUTES SHALL FIRST BE SUBMITTED TO MEDIATION BEFORE A PROFESSIONAL MEDIATOR SELECTED BY THE PARTIES, AT A MUTUALLY AGREED TIME AND PLACE, AND WITH THE MEDIATOR'S FEES SPLIT EQUALLY BETWEEN THE PARTIES.

15. GOVERNING LAW. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Texas without regard to its conflicts of law principles.

16. MISCELLANEOUS. All references to sections of any statute shall be deemed also to refer to any successor provisions to such sections. The obligations of the parties under Sections 7 through 14 and 20 hereof shall survive the expiration of the Employment Period and the termination of this Agreement. The compensation and benefits payable to the Executive or the Executive's beneficiary under Section 7 of this Agreement shall be in lieu of any other severance benefits, if any, to which the Executive may otherwise be entitled upon the Executive's termination of employment under any severance plan, program, policy or arrangement of the Company; provided, that such compensation and benefits shall not be in lieu of any compensation and benefits provided under any change of control agreement or other agreement providing any retention, incentive, or other similar bonus to the Executive, including if such retention, incentive, or other similar bonus becomes payable upon or in connection with the Executive's termination of employment or resignation.

17. SEVERABILITY. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect throughout the Employment Period. Should any one or more of the provisions of this Agreement be held to be excessive or unreasonable as to duration, geographical scope or activity, then that provision shall be construed by limiting and reducing it so as to be reasonable and enforceable to the extent compatible with the applicable law.

18. ENTIRE AGREEMENT; EFFECTIVENESS OF AGREEMENT. This Agreement sets forth the entire agreement of the parties hereto in respect of the Executive's employment with the Company (and any termination thereof) and all other subject matter contained herein, supersedes all prior agreements, promises, covenants, arrangements, communications, representations or warranties, whether oral or written, by any officer, employee or representative of any party hereto. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement.

19. WITHHOLDING. The Company Group may withhold from any payments or benefits made or provided pursuant to this Agreement all federal, state, local, foreign and other taxes as may be required to be withheld under applicable law and all other employee deductions made with respect to employees or other senior executive officers of the Company Group generally.

20. COOPERATION. During the Employment Period and at any time thereafter, the Executive agrees to reasonably cooperate (with due regard given to the Executive's other commitments), (a) with the Company in the defense of any legal matter not adverse to the Executive and involving any matter that arose during the Executive's employment with the Company or any other member of the Company Group; and (b) with all government authorities on matters pertaining to any investigation, litigation or administrative proceeding pertaining to the Company or any other member of the Company Group, in each case, relating to the Executive's employment period and not adverse to the Executive. The Company will reimburse the Executive for any reasonable travel and out-of-pocket costs and expenses incurred by the Executive in providing such cooperation.

21. EXECUTIVE REPRESENTATION. The Executive hereby represents to the Company Group that the execution and delivery of this Agreement by the Executive and the performance by the Executive of the Executive's duties hereunder shall not constitute a breach of, or otherwise contravene, the terms of any employment agreement or other agreement or policy to which the Executive is a party or otherwise bound.

22. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

(Signatures on next page.)

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date first written above.

**ACADEMY MANAGING CO., L.L.C.
ACADEMY SPORTS AND OUTDOORS, INC.**

By: /s/ William S. Ennis
Name: William S. Ennis
Title: Chief Human Resources Officer

EXECUTIVE

By: /s/ Matt McCabe
Name: Matt McCabe

Signature page to Employment Agreement

EXHIBIT A

FORM OF RELEASE

(This form remains subject to updates for changes in applicable law.)

THIS RELEASE (this “**Release**”) is executed as of the date set forth below by Matt McCabe (the “**Executive**”).

WHEREAS, the Executive is currently employed by Academy Managing Co., L.L.C., a Texas limited liability company (the “**Company**”), pursuant to that certain Employment Agreement by and among the Executive, the Company, and Academy Sports and Outdoors, Inc., a Delaware corporation, dated as of June 25, 2023 (the “**Employment Agreement**”); and

WHEREAS, the Executive’s employment with the Company (together, with its subsidiaries and affiliates, the “**Company Group**”) will terminate effective as of _____, 20____ .

NOW, THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement and other good and valuable consideration, the Executive hereby agrees as follows:

The Executive shall be paid or provided severance payments and benefits in accordance with the terms and conditions of Section 7 of the Employment Agreement; provided, that no such severance payments and benefits shall be paid or provided if the Executive revokes this Release pursuant to paragraph 9 below or the Executive violates any of the covenants set forth in Section 8 of the Employment Agreement.

The Executive hereby irrevocably and unconditionally releases, acquits and forever discharges each member of the Company Group and each equity holder, agent, representative, administrator, trustee, attorney, insurer, fiduciary, director, manager, officer and employee of such member of the Company Group, including their successors and assigns (collectively, “**Releasees**”), from any and all claims, liabilities, obligations, damages, causes of action, demands, costs, losses and/or expenses (including attorneys’ fees) of any nature whatsoever, whether known or unknown, arising out of or relating to the Executive’s employment or termination of employment with, the Executive’s serving in any capacity in respect of, or the Executive’s status at any time as a holder of securities of, any member of the Company Group, including, but not limited to, rights arising out of alleged violations of any contracts, express or implied, any covenant of good faith and fair dealing, express or implied, or any tort, or any legal restrictions on the Company’s right to terminate the Executive’s employment, or any federal, state or other governmental statute, regulation or ordinance, including, without limitation, Title VII of the Civil Rights Act of 1964, as amended and the Age Discrimination in Employment Act of 1967, as amended, the Texas Commission on Human Rights Act, Chapter 451 of the Texas Labor Code, the Texas Payday Law, the Equal Pay Act, the Fair Labor Standards Act, the Consolidated Omnibus Budget Reconciliation Act, the Employee Retirement Income Security Act of 1974, as amended, the Civil Rights Act of 1991, the Family and Medical Leave Act of

1993, and the Americans with Disabilities Act of 1990, which the Executive claims to have against any of the Releasees (in each case, except as to indemnification provided by (a) the Employment Agreement with the Company (as amended or superseded from time to time) and/or (b) by the Company's Regulations and any indemnification agreement or arrangement permitted by the laws of the State of Texas and by officers and other liability insurance coverages to the extent the Executive would have enjoyed such coverages had the Executive remained an officer of the Company). In addition, to the extent permitted by law, the Executive waives all rights and benefits afforded by any state laws which provide in substance that a general release does not extend to claims which a person does not know or suspect to exist in the Executive's favor at the time of executing the release which, if known by the Executive, must have materially affected the Executive's settlement with the other person.

The exceptions to the foregoing are (i) claims and rights that may arise after the date of execution of this Release, (ii) claims and rights arising or with regard to accrued benefits under any under any employee benefit plan maintained by the Company, (iii) claims and rights arising with respect to severance payments and benefits payable to the Executive under Section 7 of the Employment Agreement, (iv) treatment of the Executive's equity awards as provided in the applicable equity plan or award agreement, (v) any existing right to indemnification under applicable corporate law, the by-laws or certificate of incorporation of the Parent, the Company or their respective affiliates or any benefit plan of the Company and its affiliates, or any agreement between the Executive and the Company, Parent or their respective affiliates, (vi) any rights of the Executive as an insured, or to coverage, under any director's and officer's liability insurance policy of the Company, the Parent or their respective affiliates, (vii) any rights or obligations of the Executive under applicable law which cannot be waived or released pursuant to an agreement, (viii) the Executive's rights to enforce this Release, and (ix) the Executive's rights under the provisions of the Employment Agreement that are intended to survive the Executive's termination of employment as expressly stated therein.

The Executive represents and warrants that the Executive has not previously filed, and to the maximum extent permitted by law, agrees not to file, a claim against any Releasee regarding any of the claims respectively released herein. If, notwithstanding this representation and warranty, the Executive has filed or files such a claim, the Executive agrees to cause such claim to be dismissed with prejudice and shall pay any and all costs required in obtaining dismissal of such claim, including without limitation the attorneys' fees and expenses of any of the parties against whom such a claim has been filed.

The Executive understands and agrees that:

1. The Executive has a period of 21 days within which to consider whether the Executive desires to execute this Release, that no one hurried the Executive into executing this Release during that 21-days period, that no one coerced the Executive into executing this Release, and that, if applicable, execution of this Release before the expiration of the 21-days period is voluntary.

2. The Executive has carefully read and fully understands all of the provisions of this Release, and declares that the Release is written in a manner that the Executive fully understands.
3. The Executive is, through this Release, releasing the Releasees from any and all claims the Executive may have against the Releasees, and that this Release constitutes a release and discharge of claims arising under the Age Discrimination in Employment Act of 1967, as amended, 29 U.S.C. §§ 621-634, including the Older Workers' Benefit Protection Act, 29 U.S.C. § 626(f).
4. The Executive declares that the Executive's agreement to all of the terms set forth in this Release is knowing and is voluntary.
5. The Executive knowingly and voluntarily intends to be legally bound by the terms of this Release.
6. The Executive was advised and hereby is advised in writing to consult with an attorney of the Executive's choice concerning the legal effect of this Release prior to executing this Release.
7. The Executive understands that rights or claims that may arise after the date this Release is executed are not waived.
8. The Executive understands that the Executive is waiving the Executive's rights or claims under the Age Discrimination in Employment Act in exchange for consideration to which the Executive is not otherwise entitled.
9. The Executive understands that, in connection with the release of any claim arising under the Age Discrimination in Employment Act, the Executive has 7 days following the Executive's execution of this Release to revoke the Executive's acceptance of this Release, and that the Executive may deliver notification of revocation in accordance with the notice provisions in Section 11 of the Employment Agreement. The Executive understands that this Release will not become effective and binding with respect to any claim arising under the Age Discrimination in Employment Act, until after the expiration of the period during which the Executive may revoke this Release. The revocation period commences when the Executive executes this Release and ends at 11:59 p.m. on the seventh calendar day after execution, not counting the date on which the Executive executes this Release. The Executive understands that if the Executive does not deliver a notice of revocation within the time period described in this paragraph 9, this Release will become a final, binding and enforceable release of any claim of age discrimination. This right of revocation shall not affect the release of any claim other than a claim of age discrimination arising under federal law.
10. The Executive understands that nothing in this Release shall be construed to prohibit the Executive from filing a charge or complaint, including a challenge to

the validity of this Release, with the Equal Employment Opportunity Commission or participating in any investigation or proceeding conducted by the Equal Employment Opportunity Commission. Further, the Executive understands that nothing in this Release shall be deemed to limit any Releasee's right to seek immediate dismissal of such charge or complaint on the basis that the Executive's signing of this Release constitutes a full release of any individual rights under the federal discrimination laws, or to seek restitution to the extent permitted by applicable law of the payments and benefits provided to the Executive under the Agreement in the event the Executive successfully challenges the validity of this Release and prevails in any claim under the federal discrimination laws.

AGREED AND ACCEPTED, on this _____ day of _____

EXECUTIVE

By: _____

Name: Matt McCabe

THIRD AMENDED AND RESTATED EMPLOYMENT AGREEMENT

by and among

ACADEMY MANAGING CO., L.L.C.,

NEW ACADEMY HOLDING COMPANY, LLC,

ACADEMY SPORTS AND OUTDOORS, INC.

and

William S. Ennis, Sr.

Dated: December 15, 2023

THIRD AMENDED AND RESTATED EMPLOYMENT AGREEMENT

THIS THIRD AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this “*Agreement*”), dated as of December 15, 2023, is entered into by and among William S. Ennis, Sr. (the “*Executive*”), Academy Managing Co., L.L.C., a Texas limited liability company (the “*Company*”), New Academy Holding Company, LLC, a Delaware limited liability company (the “*Former Parent*”) and Academy Sports and Outdoors, Inc., a Delaware corporation (the “*Parent*”).

WHEREAS, the Executive, the Company and the Former Parent, have previously entered into that certain Second Amended and Restated Employment Agreement, dated as of August 30, 2011 (the “*Prior Agreement*”);

WHEREAS, the Executive has served as the Senior Vice President and Chief Human Resources Officer of the Parent and the entities controlled by, controlling or under common control with the Company or the Parent that conduct the business of all such entities (such entities, together with the Company and the Parent, collectively, the “*Company Group*”);

WHEREAS, the Executive shall cease to serve as the Senior Vice President and Chief Human Resources Officer of the Company Group on January 1, 2024 (the “*Transition Date*”) and the Executive shall commence service as the Executive Vice President, Chief Administrative Officer of the Company Group, effective as of the Transition Date;

WHEREAS, the Company and the Executive desire to set forth in this Agreement the terms and conditions of the Executive’s employment with the Company as the Executive Vice President, Chief Administrative Officer of the Company Group; and

WHEREAS, the Executive acknowledges that (i) the Executive’s employment with the Company will continue to provide the Executive with trade secrets of, and confidential information concerning, the Company Group, and (ii) the covenants contained in this Agreement are essential to protect the business and goodwill of the Company Group.

NOW, THEREFORE, in consideration of the premises and the respective covenants and agreements of the parties herein contained, and intending to be legally bound hereby, the parties hereto agree as follows:

1. EMPLOYMENT AND TERM. The Company hereby agrees to continue to employ the Executive, and the Executive hereby accepts such continued employment, on the terms and conditions hereinafter set forth. The period of employment of the Executive by the Company hereunder (the “*Employment Period*”) shall commence as of the Transition Date and shall end when terminated by either the Company or the Executive in accordance with Section 5 hereof. For the avoidance of doubt, the Prior Agreement shall continue to govern Executive’s employment with the Company until the Transition Date.

2. POSITION AND DUTIES.

(a) As of the Transition Date, the Executive shall serve as the Executive Vice President and Chief Administrative Officer of the Company Group, in which capacity the Executive shall perform the usual and customary duties of such office, which shall be those normally inherent in such capacity in companies of similar size and character as the Company Group, and such other duties and responsibilities as may be assigned by the Chief Executive Officer of the Company Group (the “**CEO**”) from time to time. The Executive shall report to the CEO or such other officer as may be designated by the Company from time to time. The Executive shall, if requested, also serve as an officer or director of any member of the Company Group for no additional compensation. The Executive agrees and acknowledges that, in connection with the Executive’s employment relationship with the Company, the Executive owes fiduciary duties to the Company Group and will act accordingly.

(b) During the Employment Period, the Executive agrees to devote substantially the Executive’s full time, attention and energies to the Company Group’s business and agrees to faithfully and diligently endeavor to the best of the Executive’s ability to further the best interests of the Company Group. The Executive shall not engage in any other business activity, whether or not such business activity is pursued for gain, profit or other pecuniary advantage. Subject to the covenants of Section 8 hereof, this shall not be construed as preventing the Executive from investing the Executive’s own assets in such form or manner as will not require the Executive’s services in the daily operations of the affairs of the companies in which such investments are made. Further, subject to the covenants of Section 8 hereof, the Executive may serve as a director of other companies, if such service is approved by the CEO, so long as such service is not detrimental to the Company Group, does not interfere with the Executive’s service to the Company Group, and does not present the Executive with a conflict of interest.

3. **PLACE OF PERFORMANCE.** During the Employment Period, the Executive’s principal business address shall continue to be at the Company’s current principal executive offices in Katy, Texas (the “**Principal Place of Employment**”). The Executive acknowledges that the Executive’s duties and responsibilities shall require the Executive to travel on business to the extent reasonably necessary to fully perform the Executive’s duties and responsibilities hereunder.

4. COMPENSATION AND RELATED MATTERS.

(a) *Base Salary.* Commencing as of the Transition Date, the Company Group shall pay the Executive an annual base salary of \$550,000.00 (the “**Base Salary**”), payable in accordance with the Company Group’s customary payroll practices. The Base Salary may, at the discretion of the Board of Directors of the Parent (the “**Board**”) or a compensation committee thereof, be increased but not decreased during the Employment Period.

(b) *Annual Bonuses.* During the Employment Period, the Executive shall be eligible to receive an annual cash bonus based on performance objectives established by the Board or a committee thereof for each fiscal year (the “**Annual Bonus**”). For fiscal year 2023, the Executive’s target Annual Bonus amount will be 75% of the Base Salary in effect as of the

end of the fiscal year applicable to such Annual Bonus, or such other percentage of Base Salary designated as the target by the Board or a committee thereof (the “**Target Bonus Opportunity**”). For fiscal year 2024 and thereafter, the Executive’s Target Bonus Opportunity will be 120%. Notwithstanding the preceding, the Executive’s Annual Bonus, if any, may be below (including zero), at, or above the target based upon the achievement of the performance objectives.

(c) *Expenses.* The Company Group shall continue to reimburse the Executive for all reasonable business, entertainment and travel expenses incurred during the Employment Period by the Executive in performing services hereunder, including all travel expenses while away from the Katy, Texas area on business or at the request of and in the service of the Company: provided, in each case, that such expenses are incurred, accounted for, and reimbursed in accordance with the Company’s expense reimbursement policy.

(d) *Other Benefits.* During the Employment Period, the Executive shall continue to be entitled to participate in all of the employee benefit plans and programs and fringe benefits and perquisites arrangements made available by the Company to its other senior executive officers, and Executive’s transition into the role of Executive Vice President and Chief Administrative Officer of the Company Group as of the Transition Date shall not impact his eligibility to participate in such plans, programs and arrangements; provided, that such continued eligibility and participation shall in all respects be subject to and on a basis consistent with the terms, conditions and overall administration of such plans, programs and arrangements. The Company shall have the right to change, amend or discontinue any benefit plan, program, or arrangement, subject to and on a basis consistent with the terms, conditions and overall administration of such plans, programs and arrangements.

(e) *Paid Time Off.* During the Employment Period, the Executive shall be entitled to accrue paid time off (“**PTO**”) in accordance with the Company’s standard PTO policy in effect from time to time. Upon a termination of Executive’s employment with the Company, accrued but unused PTO will be treated in accordance with such PTO policy and subject to applicable law.

(f) *Annual Equity Grants.* The Executive’s eligibility to receive, and the terms and conditions of future annual equity awards, will be determined by the Board or a compensation committee thereof in its sole discretion.

5. TERMINATION. The Employment Period shall end and this Agreement and the Executive’s employment shall terminate in the event of a termination of the Executive’s employment in accordance with any of the provisions of this Section 5 and Section 6, as applicable, on the Date of Termination.

(a) *Death.* The Executive’s employment hereunder and this Agreement shall terminate upon the Executive’s death.

(b) *Disability.* The Company may terminate the Executive’s employment and this Agreement as a result of the Executive’s Disability, provided, that the Company allows the Executive thirty (30) days following Notice of Termination to return to the performance of the

essential functions of the Executive's position, with or without reasonable accommodation. For purposes of this Agreement, "**Disability**" means a physical or mental illness, incapacity or disability which has prevented the Executive from substantially performing the Executive's material duties for a period of one hundred eighty (180) consecutive days. During any such period that, as a result of such illness, incapacity or disability, the Executive fails to perform the essential function of the Executive's position, with or without reasonable accommodation (the "**Disability Period**"), the Executive shall continue to receive the Executive's Base Salary at the rate in effect at the beginning of such period as well as all other payments and benefits set forth in Section 4 hereof, reduced, to the extent permitted by Section 409A (as defined in Section 9 below), by any payments made to the Executive during the Disability Period under the disability benefit plans of the Company then in effect or under the Social Security disability insurance program.

(c) *Cause*. The Company may terminate the Executive's employment hereunder and this Agreement for Cause. For purposes of this Agreement, the Company shall have "**Cause**" to terminate the Executive's employment hereunder upon the occurrence of any of the following events:

(i) the Executive has committed gross negligence or willful misconduct, an act of fraud, embezzlement, theft or other criminal act in connection with the Executive's duties or in the course of the Executive's employment with the Company Group; or

(ii) the Executive has committed an act leading to a conviction of a felony or a misdemeanor involving moral turpitude; or

(iii) the Executive has committed a material breach of any provision of this Agreement; or

(iv) the failure by the Executive to perform any and all covenants contained in (A) Section 2 hereof for any reason (other than the Executive's death or Disability) including following the Executive's delivery of a Notice of Termination for Good Reason and (B) Section 8 hereof;

provided, that, if reasonably capable of being cured, the Executive shall have thirty (30) days from the date on which the Executive receives the Company's Notice of Termination for Cause under clause (iii) or (iv) above to remedy any such occurrence otherwise constituting Cause under such clause (iii) or (iv). The determination of whether there has been "Cause" for purposes of this Agreement shall be determined by the Board or any committee thereof in its sole discretion.

(d) *Good Reason*. The Executive may terminate the Executive's employment hereunder for Good Reason in accordance with the provisions of this subsection (d). "**Good Reason**" for the Executive's termination of employment shall mean the occurrence, without the Executive's prior written consent, of any one or more of the following that constitutes a material negative change to the Executive in the service relationship:

(i) a reduction in the Base Salary and Target Bonus Opportunity, in the aggregate, from the Base Salary and Target Bonus Opportunity, in the aggregate, as set by the Board from time to time following the Transition Date; or

(ii) the Company requiring the Executive to be based at any office located more than 50 miles from Katy, Texas; or

(iii) a material breach by the Company or the Parent of any applicable provision of this Agreement.

Notwithstanding the foregoing, Good Reason shall not, and shall cease to, exist unless (A) within sixty (60) days of Executive's knowledge of the initial existence of the condition or conditions giving rise to Good Reason, the Executive provides written notice to the Company of the existence of such condition or conditions in accordance with Section 11 hereof and (B) the Company fails to remedy such condition or conditions within thirty (30) days following the receipt of such written notice (the "**Cure Period**"). If any such condition is not remedied within such Cure Period and the Executive provides a Notice of Termination for Good Reason to the Company within thirty (30) days following the end of the Cure Period, then the Executive's employment shall terminate on the Date of Termination set forth in Section 6(b)(iv) hereof. If the Executive does not give Notice of Termination for Good Reason within thirty (30) days following the end of the Cure Period, then the Executive will be deemed to have waived the right to terminate the Executive's employment hereunder for Good Reason with respect to such condition or conditions.

(e) *Without Cause or Good Reason.* Either party hereto may terminate the employment of the Executive and this Agreement at any time, without Cause in the case of the Company and without Good Reason in the case of the Executive, by giving the other party prior written Notice of Termination in accordance with Section 6 hereof; provided, that the Executive shall be required to deliver such written notice to the Board at least thirty (30) days' prior to the Date of Termination if the Executive intends to terminate the Executive's employment without Good Reason.

6. TERMINATION PROCEDURE.

(a) *Notice of Termination.* Any termination of the Executive's employment by the Company or by the Executive (other than a termination pursuant to Section 5(a) hereof) shall be communicated by written Notice of Termination. For purposes of this Agreement, a "**Notice of Termination**" shall mean a notice to the other party hereto in accordance with Section 11 hereof that shall indicate the specific termination provision in this Agreement relied upon and, except in the case of termination pursuant to Section 5(e) hereof, shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated (including, in the case of any Notice of Termination for Good Reason, a specific description of the event that the Executive believes constitutes an event of Good Reason).

(b) *Date of Termination.* “**Date of Termination**” shall mean the effective date of termination of the Executive’s employment for any reason, which shall be (i) if the Executive’s employment is terminated pursuant to Section 5(a) hereof, the date of the Executive’s death, (ii) if the Executive’s employment is terminated pursuant to Section 5(b) hereof, the later of (A) the date that is thirty (30) days after the Notice of Termination is given and (B) the date that is the end of the one-hundred eighty (180) day period referenced in Section 5(b) hereof; provided, that the Executive shall not have returned to the performance of the Executive’s duties on a fulltime basis during such period, (iii) if the Executive’s employment is terminated pursuant to Section 5(c) hereof, the date specified in the Notice of Termination, which date may be no earlier than the date the Executive is given notice, (iv) if the Executive’s employment is terminated pursuant to Section 5(d) hereof, the date on which a Notice of Termination is given or any later date (within thirty (30) days of the date of such Notice of Termination) set forth in such Notice of Termination, or (v) if the Executive’s employment is terminated for any other reason, the date specified in the Notice of Termination; provided, that if the Executive’s employment is terminated by the Executive without Good Reason, such date shall be at least thirty (30) days following the date on which Notice of Termination is given (unless the Company accepts the Executive’s resignation prior to the expiration of such 30-day notice period). The Company may also place the Executive on “garden leave” for all or any portion of such notice period. Any such action by the Company will not constitute Good Reason. During any period of garden leave (i) the Executive will not be required to perform some or all of Executive’s duties or obligations and the Company may revoke any titles, powers or authority the Executive has on behalf of the Company or its affiliates, and (ii) the Company may require the Executive not to contact or deal with (or attempt to contact or deal with) any director, officer, employee, consultant, client, customer, supplier, agent, distributor, shareholder, advisor or other business contact of the Company and its affiliates.

7. COMPENSATION UPON TERMINATION OR DURING DISABILITY.

(a) *Accrued Salary, Prior Year Bonus and Accrued Obligation Defined.* For purposes of this Agreement, “**Accrued Salary**” means a lump sum amount in cash equal to the sum of the Base Salary accrued but not paid through the Date of Termination for periods through but not following the Date of Termination. For purposes of this Agreement, “**Prior Year Bonus**” means any bonus payable to the Executive under the annual cash bonus plan maintained by the Company Group (the “**Annual Incentive Plan**”) for the fiscal year of the Company immediately preceding the fiscal year of the Company in which the Date of Termination occurs but not paid as of the Date of Termination. For purposes of this Agreement, payment of the “**Accrued Obligation**” shall mean payment by the Company Group to the Executive (or the Executive’s designated beneficiary or legal representative, as applicable), when due, of all benefits to which the Executive is entitled under the terms of the employee benefit plans and programs in which the Executive is a participant as of the Date of Termination, including, without limitation, the vesting of any equity incentive awards in accordance with the terms of the plans and award agreements evidencing such awards, any rights of the Executive as an insured, or to coverage, under any director’s and officer’s liability insurance policy and any right to indemnification under applicable corporate law, the governing documents of the Company Group or any benefit plan of any member of the Company Group or otherwise.

(b) *Disability; Death.* Following the termination of the Executive's employment pursuant to Section 5(a) or Section 5(b) hereof, the Company Group shall pay to the Executive (or the Executive's designated beneficiary or legal representative, if applicable):

(i) the Accrued Salary within thirty (30) days after the Date of Termination (or such earlier date as may be required by applicable law); and

(ii) the Prior Year Bonus, if any is due, at the same time in the year of termination as such payment would be made if the Executive had otherwise continued to be employed by the Company;

(iii) the Accrued Obligation at the times specified in and in accordance with the terms of the applicable employee benefit plans and compensation arrangements.

(c) *By the Company for Cause or by the Executive Without Good Reason.* If during the Employment Period the Executive's employment is terminated by the Company for Cause pursuant to Section 5(c) hereof or by the Executive without Good Reason pursuant to Section 5(e) hereof, the Company Group shall pay to the Executive (i) the Accrued Salary within thirty (30) days following the Date of Termination (or such earlier date as may be required by applicable law), and (ii) the Accrued Obligation at the times specified in and in accordance with the terms of the applicable employee benefit plans and compensation arrangement. Following such payments, the Company Group shall have no further obligations, including under the Annual Incentive Plan, to the Executive other than as may be required by law or with respect to any Accrued Obligation under the terms of an employee benefit plan of the Company Group.

(d) *By the Company Without Cause or by the Executive for Good Reason.* If during the Employment Period the Executive's employment is terminated by the Company without Cause, other than as a result of the Executive's death or Disability, or if the Executive terminates the Executive's employment for Good Reason, then:

(i) Within thirty (30) days after the Date of Termination the Company Group shall pay the Executive the Accrued Salary (or such earlier date as may be required by applicable law);

(ii) The Company Group shall pay the Executive the Prior Year Bonus, if any is due, at the same time in the year of termination as such payment would be made if the Executive continued to be employed by the Company;

(iii) The Company Group shall pay to the Executive a cash severance payment in an amount equal to the product of (x) two (2) multiplied by (y) the sum of (A) the Base Salary and (B) the average Annual Bonus paid to (or earned by, to the extent not yet paid as of the Date of Termination) the Executive under the Annual Incentive Plan for the two fiscal years of the Company immediately preceding the fiscal year in which the Date of Termination occurs. The Company shall make such payment in equal installments ratably over twenty-four (24) months following the Date of Termination (the "**Severance Period**") in accordance with the Company's normal payroll cycle and

procedures, with the first installment to be paid on the first payroll date following the date on which the Release (as defined in Section 7(f) below) becomes irrevocable (the “**Release Effective Date**”); provided, that if the Executive’s death occurs subsequent to the Date of Termination, any unpaid installments shall be paid to the Executive’s estate or beneficiaries in a lump sum payment within thirty (30) days following the date of the Executive’s death;

(iv) The Company Group shall pay to the Executive a pro rata portion of the actual Annual Bonus that would have been earned by the Executive for the fiscal year in which the Date of Termination occurs (assuming the Executive achieved any individual goals for such fiscal year at 100% of target), based on the number of days between and including the first day of the fiscal year of the Company in which the Date of Termination occurs and the Date of Termination, payable in a lump sum when annual bonuses for the fiscal year in which the Date of Termination occurs are otherwise paid to other similarly situated employees of the Company Group and in all events by March 15 of the calendar year following the year in which such termination occurs;

(v) Subject to the Executive’s timely election of continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (“**COBRA**”), the Company Group shall pay to the Executive a cash payment in an amount equal to (A) the total amount of the monthly COBRA insurance premium for participation in the medical insurance benefits of the Company (determined based on the rate in effect on the Date of Termination) *multiplied* by (B) the number of months in the Severance Period. Such amount shall be payable to the Executive in a lump-sum amount in accordance with the Company’s normal payroll cycle and procedures on the first payroll date following the Release Effective Date;

(vi) The Company Group shall pay the Executive an amount equivalent to the product of (x) the monthly basic life insurance premium applicable to the Executive’s basic life insurance coverage immediately prior to the Date of Termination and (y) the number of full and fractional calendar months of the Severance Period. The Company shall make such payment in a lump sum in cash on the first payroll date following the Release Effective Date. If applicable, the Executive may, at the Executive’s option, convert the Executive’s basic life insurance coverage to an individual policy after the Date of Termination by completing the forms required by the Company for this purpose, and the Company will reasonably cooperate in order to assist the Executive with such conversion; and

(vii) The Company Group shall pay the Executive the Accrued Obligation at the times specified in and in accordance with the terms of the applicable employee benefit plans and compensation arrangements.

(e) *No Right to Specify Year of Payment.* The Executive shall have no right to specify or otherwise determine the year in which any payment made under this Section 7 shall be made.

(f) *No Duty to Mitigate; Release.* The Company agrees that, if the Executive's employment with the Company terminates for any reason during the Employment Period, the Executive is not required to seek other employment or to attempt in any way to reduce any amounts payable to the Executive by the Company pursuant to this Section 7. Further, except to the extent set forth in Sections 4(b), 4(e), 8(d)(v) and 9(e) hereof, the amount of any payment or benefit provided for in this Agreement shall not be reduced by any compensation earned by the Executive as the result of employment by another employer, by retirement benefits, or by offset against any amount claimed to be owed by the Executive to the Company or Academy. Notwithstanding anything to the contrary contained herein, payments to the Executive under this Section 7 (other than the Accrued Salary, Prior Year Bonus, and Accrued Obligations) are contingent upon (A) the Executive's continued compliance with the provisions of Section 8 hereof and (B) the Executive's execution and delivery, without revocation, of a fully effective release in substantially the form of Exhibit A attached hereto (the "**Release**"), which Release must be executed (and not revoked) by the Executive on or prior to the sixtieth (60th) day following the Date of Termination (such sixty-day period, the "**Release Period**"). Notwithstanding the foregoing, to the extent required to comply with Section 409A, if the Release Period straddles the ending and beginning of two (2) consecutive calendar years, then the first installment of any installment payments of severance payable to the Executive under this Section 7 shall be paid on the first regularly scheduled payroll date that occurs in the second calendar year.

8. RESTRICTIVE COVENANTS.

(a) *Confidential Information.* The Company agrees to provide the Executive certain trade secrets, confidential information and knowledge or data relating to the Company Group and its businesses during the Employment Period. The Executive shall hold in a fiduciary capacity for the benefit of the Company Group all trade secrets, confidential information, and knowledge or data relating to the Company Group and its businesses, which shall have been obtained by the Executive during the Executive's employment by any member of the Company Group (hereinafter being collectively referred to as "**Confidential Information**"). For the avoidance of doubt, Confidential Information shall not include information that:

(i) was already in the Executive's possession prior to his commencement of employment with the Company Group; provided, that the information is not known by the Executive to be subject to another confidentiality agreement with, or otherwise subject to an obligation of secrecy to, any member of the Company Group,

(ii) becomes generally available to the public other than as a result of acts by the Executive or representatives of the Executive in violation of this Agreement, or

(iii) becomes available to the Executive on a non-confidential basis from a source other than the Company Group or any of its directors, managers, officers employees, agents or advisors; provided, that such source is not known by the Executive to be bound by a confidentiality agreement with, or otherwise bound by an obligation of secrecy to, any member of the Company Group.

The Executive shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, other than in the good faith performance of the Executive's duties, communicate or divulge any such trade secrets, information, knowledge or data to anyone other than the Company Group and those designated by the Company. Any termination of the Executive's employment or of this Agreement shall have no effect on the continuing operation of this Section 8(a).

The Executive agrees to return all Confidential Information, including all photocopies, extracts and summaries thereof, and any such information stored electronically on tapes, computer disks or in any other manner to the Company at any time upon request by the Company and upon the termination of the Executive's employment hereunder for any reason. Notwithstanding anything herein to the contrary, the Company hereby acknowledges and agrees that the Executive may retain, as the Executive's own property, copies of the Executive's individual personnel documents, such as payroll and tax records and similar personal records as well as the Executive's rolodex and the Executive's address book, whether electronic or in hard copy.

Nothing in this Agreement shall prohibit or impede the Executive from communicating, cooperating or filing a complaint with any U.S. federal, state or local governmental or law enforcement branch, agency or entity (collectively, a "**Governmental Entity**") with respect to possible violations of any U.S. federal, state or local law or regulation, or otherwise making disclosures to any Governmental Entity, in each case, that are protected under the whistleblower provisions of any such law or regulation, provided, that in each case such communications and disclosures are consistent with applicable law. The Executive does not need the prior authorization of (or to give notice to) the Company regarding any such communication or disclosure. Executive understands and acknowledges that an individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that is made (A) in confidence to a Federal, State, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of the law; or (B) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Executive understands and acknowledges further that an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal; and does not disclose the trade secret, except pursuant to court order. Notwithstanding the foregoing, under no circumstance is the Executive authorized to disclose any information covered by the Company Group's attorney-client privilege or attorney work product or the Company Group's trade secrets without prior written consent of the Company's General Counsel.

(b) *Intellectual Property.* If the Executive creates, invents, designs, develops, contributes to or improves any works of authorship, inventions, intellectual property, materials, documents or other work product (including, without limitation, research, reports, software, databases, systems, applications, presentations, textual works, content or audiovisual materials) ("**Works**"), either alone or with third parties, at any time during the Executive's employment by the Company Group and within the scope of such employment and/or with the use of any the Company Group resources or as the result of any work performed by the Executive for the

Company Group ("**Company Works**"), the Executive shall promptly and fully disclose same to the Company and hereby unconditionally and irrevocably assigns, transfers and conveys, to the maximum extent permitted by applicable law, all rights, title, interest and intellectual property rights therein (including rights under patent, industrial property, copyright, trademark, trade secret, unfair competition and related laws) to the Company to the extent ownership of any such rights does not vest originally in the Company. In addition to, and without limitation of the foregoing, the Executive acknowledges and agrees that all of the Executive's contributions to works of authorship within the scope of the Executive's employment shall be regarded as "Work Made for Hire" (as that term is used in the United States Copyright Act, J 7 U.S.C. § 101) by the Executive for the Company.

To the extent that the Works contain any inventions, developments, concepts, improvements, designs, discoveries, ideas, data, documentation, information, materials, programs, systems, techniques, trademarks, domain names, or works of authorship created by the Executive before the Executive was employed by the Company (the "**Preexisting Works**"), the Executive hereby grants the Company an irrevocable, perpetual, worldwide, royalty-free, non-exclusive license to use, practice, copy, distribute, publish, perform, display, modify, create derivative works of, and otherwise utilize the Preexisting Works for any purpose whatsoever.

The Executive agrees to keep and maintain adequate and current written records (in the form of notes, sketches, drawings, and any other form or media requested by the Company) of all Company Works. The records will be available to and remain the sole property and intellectual property of the Company at all times.

The Executive shall take all requested actions and execute all requested documents (including any licenses or assignments required by a government contract) at the Company's expense (but without further remuneration) necessary to assist the Company in validating, maintaining, protecting, enforcing, perfecting, recording, patenting or registering any of the Company's rights in the Company Works. If the Company is unable for any other reason to secure the Executive's signature on any document necessary for this purpose, then the Executive hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as the Executive's agent and attorney in fact, to act for and in the Executive's behalf and stead to execute any necessary documents and to do all other lawfully permitted acts in connection with the foregoing.

In the event that any of the foregoing provisions with respect to the Works are deemed invalid or ineffective to vest ownership of the Works with the Company, the Executive hereby grants the Company an irrevocable, perpetual, worldwide, royalty-free license to use, practice, copy, distribute, publish, perform, display, modify, create derivative works of, and otherwise utilize the Works for any purpose whatsoever.

The Executive shall not improperly use for the benefit of, bring to any premises of, divulge, disclose, communicate, reveal, transfer or provide access to, or share with the Company Group any confidential, proprietary or non-public information or intellectual property relating to a former employer or other third party without the prior written permission of such third party. The Executive shall comply with all relevant policies and guidelines of the Company, including,

without limitation, policies and guidelines regarding the protection of confidential information and intellectual property and potential conflicts of interest. The Executive acknowledges that the Company may amend any such policies and guidelines from time to time, and that the Executive remains at all times bound by their most current version.

(c) *Non-Competition.* In consideration of the payments, benefits and other obligations of the Company to the Executive pursuant to this Agreement, including, without limitation, the Company's obligation to provide the Executive with Confidential Information pursuant to Section 8(a) hereof, and in order to protect such Confidential Information and preserve the goodwill of the Company Group, the Executive hereby covenants and agrees that, during the Employment Period and for a period of twenty-four (24) months following the Date of Termination (the "**Restricted Period**"), the Executive shall not, without the prior written consent of the Company, directly or indirectly, for the Executive or for others, as an owner, investor, partner, shareholder, agent, representative, employee, officer, director, consultant, contractor, lender or otherwise (except for owning an investment interest of less than two percent (2%) in a publicly-traded company), participate in any business engaged primarily in the retail sale of sporting goods and outdoor products, including but not limited to the following companies and any of their successors, affiliates, or subsidiaries: Dick's Sporting Goods, Inc.; Cabela's Inc.; The Sports Authority, Inc.; Bass Pro Shops, Inc.; Gander Mountain Company/Gander Outdoors/Camping World; Hibbett Sports, Inc.; Big Five Sporting Goods; Champs Sporting Goods; City Sports; Eastbay; Fanatics; Kansas Sampler; Lululemon Athletica; Rally House; REI Co-op; Scheels and Sportsman Warehouse. This restriction does not include (i) multi-purpose retailers, such as Wal-Mart Stores, Inc. and Target Corp., where the sale of sporting goods and outdoor products by such retailer is less than fifty percent (50%) of such retailer's total sales; and (ii) any business engaged primarily in the retail sale of sporting goods and outdoor products with total sales from all sources (including retail stores, on-line, subsidiaries and affiliates) of less than \$250 million annually.

(d) *Non-Disparagement.* The Executive will not, other than as required by law or by order of a court or other competent authority, make or publish, or cause any other person to make or publish, any statement that is disparaging or that reflects negatively upon the Company Group or its affiliates, including members of the Board and management team, or that is or reasonably would be expected to be damaging to the reputation of the Company Group or its affiliates. Nothing in this Agreement prevents the Executive from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that the Executive have reason to believe is unlawful or from exercising any protected rights under Section 7 of the National Labor Relations Act.

(e) *Non-Solicitation; No-Hire.* In further consideration of the payments, benefits and other obligations of the Company to the Executive pursuant to this Agreement, the Executive hereby covenants and agrees that, during the Employment Period and the Restricted Period, the Executive will not, directly or indirectly, for the Executive's benefit or for the benefit of any other person, firm or entity, do any of the following:

(i) Solicit on the Executive's own behalf or on behalf of another person or entity, the employment or services of any person who was known to be employed, in a salaried position, by or was a known substantially full-time consultant or substantially full-time independent contractor to any member of the Company Group upon the Date of Termination, or within six (6) months prior thereto;

(ii) Hire any person who was employed by the Company Group in a salaried position at any time during the six (6) month period immediately prior to the Date of Termination; or

(iii) Call on, solicit or service any customer, vendor, supplier, licensee, licensor or other business relation of the Company Group in order to induce or attempt to induce such person to cease doing business with, or reduce the amount of business conducted with, the Company Group, or otherwise knowingly interfere in any material respect with the business of any member of the Company Group (other than consumers) or the relationship with any such customer, vendor, supplier, licensee, licensor or other business relation of the Company Group that existed prior to the Date of Termination.

Notwithstanding the foregoing, the restrictions in this Section 8(e) shall not apply with regard to general solicitations of the Executive that are not specifically directed to employees, consultants or independent contractors of any member of the Company Group.

(f) *Enforcement.* The Executive and the Company agree and acknowledge that the Company has a substantial and legitimate interest in protecting the Company's Confidential Information and goodwill. The Executive and the Company further agree and acknowledge that the provisions of this Section 8 are reasonably necessary to protect the Company's legitimate business interests and are designed to protect the Company's Confidential Information and goodwill. The Executive agrees that the scope of the restrictions as to time, geographic area, and scope of activity in this Section 8 are reasonably necessary for the protection of the Company Group's legitimate business interests and are not oppressive or injurious to the public interest. The Executive agrees that in the event of a breach or threatened breach of any of the provisions of this Section 8 the Company shall be entitled to injunctive relief against the Executive's activities to the extent allowed by applicable law, and the Executive waives any requirement for the posting of any bond by the Company in connection with such action. In addition, the Company shall be entitled to immediately cease paying any amounts remaining due pursuant to Section 7 hereof (other than the Accrued Salary, Prior Year Bonus, and Accrued Obligations), in the event that the Executive has violated any provision of Section 8. In the event that any court determines that any restriction in this Agreement constitutes an unreasonable restriction against the Executive, the Executive and the Company agree that the provisions of this Agreement shall not be rendered void but shall apply as to time, territory or to such other extent as such court may determine or indicate constitutes a reasonable restriction under the circumstances involved. The Executive further agrees that any breach or threatened breach of any of the provisions of Section 8(a), (b), (c) or (d) would cause injury to the Company for which monetary damages alone would not be a sufficient remedy.

9. SECTION 409A.

(a) Compliance With 409A. The parties hereby agree that the provisions of this Agreement shall be interpreted to comply with or be exempt from Section 409A, and all provisions of this Agreement shall be construed in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. If any provision of this Agreement (or of any award of compensation, including equity compensation or benefits) would cause the Executive to incur any additional tax or interest under Section 409A and modifying it would avoid such additional tax, the Company shall, after consulting with the Executive, reform such provision to comply with or avoid application of Section 409A; provided, that the Company agrees to maintain, to the maximum extent practicable, the original intent and economic benefit to the Executive of the applicable provision without violating the provisions of Section 409A.

(b) Six-month Wait for Specified Employees. Notwithstanding any provision to the contrary in this Agreement, if the Executive is deemed on the Date of Termination to be a Specified Employee and the Company is a public company, then with regard to any payment or the provision of any benefit that is required to be delayed in compliance with Section 409A(a)(2)(B) of the Code (as defined below), such payment or benefit shall not be made or provided (subject to the last sentence hereof) prior to the earlier of (i) the expiration of the six (6) month period measured from the date of the Executive's Separation From Service or (ii) the date of the Executive's death (such relevant period, the "**Delay Period**"). Upon the expiration of the Delay Period, all payments and benefits delayed pursuant to this Section 9(b) (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to the Executive in a lump sum, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein. Notwithstanding the foregoing, to the extent that the foregoing applies to the provision of any ongoing welfare benefits to the Executive that would not be required to be delayed if the premiums therefore were paid by the Executive, the Executive shall pay the full cost of premiums for such welfare benefits during the Delay Period and the Company Group shall pay the Executive an amount equal to the amount of such premiums paid by the Executive during the Delay Period promptly after its conclusion. For purposes of this Agreement, the terms "**Separation From Service**" and "**Specified Employee**" shall have the meanings ascribed to those terms in Section 409A, the term "**Section 409A**" means Section 409A of the Internal Revenue Code of 1986, as amended (the "**Code**"), and the regulations issued thereunder by the Internal Revenue Service and the Department of Treasury.

(c) Termination as a Separation from Service. A termination of employment shall not be deemed to have occurred for purposes of Sections 1 and 8 hereof and any other provision of this Agreement providing for the payment of any amounts or benefits subject to Section 409A upon or following a termination of employment unless such termination is also a Separation From Service and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean Separation From Service.

(d) Payment Period for Reimbursements, In-Kind Benefits. All reimbursements for costs and expenses pursuant this Agreement shall be paid in no event later than the end of the calendar year following the calendar year in which the Executive incurs such expense. With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits, except as permitted by Section 409A, (i) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, and (ii) the amount of expenses eligible for reimbursements or in-kind benefits provided during any taxable year shall not affect the expenses eligible for reimbursement or in-kind benefits to be provided in any other taxable year; provided, that the foregoing clause (ii) shall not be violated with regard to expenses reimbursed under any arrangement covered by Section 105(b) of the Code solely because such expenses are subject to a limit related to the period the arrangement is in effect.

(e) Payments Within Specified Number of Days. Whenever a payment under this Agreement specifies a payment period with reference to a number of days (e.g., “payment shall be made within thirty (30) days following the Date of Termination”), the actual date of payment within the specified period shall be within the sole discretion of the Company.

(f) Installments as Separate Payment. If under this Agreement, an amount is to be paid in two or more installments, for purposes of Section 409A, each installment shall be treated as a separate payment.

10. SUCCESSORS; BINDING AGREEMENT.

(a) *Company's Successors.* The Company and the Parent will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company and/or the Company Group, as applicable, to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company and the Parent to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a breach of this Agreement and shall entitle the Executive to compensation from the Company in the same amount and on the same terms as the Executive would be entitled to hereunder if the Executive terminated the Executive's employment for Good Reason, except that for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the Date of Termination. As used in this Section 10(a), the term “Company” shall mean the Company as hereinbefore defined and any successor to the business and/or assets of the Company and/or the Company Group as aforesaid (including but not limited to an acquirer of such business and/or assets) that executes and delivers the agreement provided for in this Section 10 or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law or otherwise.

(b) *Executive's Successors.* This Agreement and all rights of the Executive hereunder shall inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If the Executive should die while any amounts would still be payable to the Executive hereunder if the Executive had continued to live or any amount is payable under this Agreement as a result

of the Executive's death, all such amounts unless otherwise provided herein shall be paid in accordance with the terms of this Agreement to the Executive's devisee, legatee or other designee or, if there is no such designee, to the Executive's estate.

11. NOTICE. For the purposes of this Agreement, notices, demands and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when delivered or (unless otherwise specified) mailed by United States certified or registered mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive, to the last address shown on records of the Company;

If to the Company or the Parent:

Academy Sports and Outdoors, Inc.
1800 North Mason Road
Katy, Texas 77449
Attention: General Counsel

or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

12. SECTION 280G. Notwithstanding anything to the contrary in this Agreement, if the Executive is a "disqualified individual" (as defined in Section 280G(c) of the Code), and the payments and benefits provided for under this Agreement, together with any other payments and benefits which the Executive has the right to receive from the Company Group, would constitute a "parachute payment" (as defined in Section 280G(b)(2) of the Code), then the payments and benefits provided for under this Agreement shall be either (a) reduced (but not below zero) so that the present value of such total amounts and benefits received by the Executive from the Company Group will be one dollar (\$1.00) less than three times the Executive's "base amount" (as defined in Section 280G(b)(3) of the Code) and so that no portion of such amounts and benefits received by the Executive shall be subject to the excise tax imposed by Section 4999 of the Code or (b) paid in full, whichever produces the better net after-tax position to the Executive (taking into account any applicable excise tax under Section 4999 of the Code and any other applicable taxes). The reduction of payments and benefits hereunder, if applicable, shall be made by reducing, first, payments or benefits to be paid in cash hereunder in the order in which such payment or benefit would be paid or provided (beginning with such payment or benefit that would be made last in time and continuing, to the extent necessary, through to such payment or benefit that would be made first in time) and, then, reducing any benefit to be provided in kind hereunder in a similar order. The determination as to whether any such reduction in the amount of the payments and benefits provided hereunder is necessary shall be made by the Company in good faith. If a reduced payment or benefit is made or provided and through error or otherwise that payment or benefit, when aggregated with other payments and benefits from the Company (or its Affiliates) used in determining if a parachute payment exists, exceeds one dollar (\$1.00) less than three times the Executive's base amount, then the Executive shall immediately repay such excess to the Company upon notification that an overpayment has been made. Nothing in

this Section 12 shall require the Company Group to be responsible for, or have any liability or obligation with respect to, the Executive's excise tax liabilities under Section 4999 of the Code.

13. AMENDMENT OR MODIFICATION; WAIVER. No provisions of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing signed by the Executive and such officer of the Company as may be specifically designated by the Board or a compensation committee thereof. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement.

14. DISPUTE RESOLUTION.

(a) **THE PARTIES AGREE TO SUBMIT ALL DISPUTES AND/OR ACTIONS REGARDING THIS AGREEMENT TO THE EXCLUSIVE JURISDICTION OF THE STATE OR FEDERAL COURTS IN HARRIS COUNTY, TEXAS. EACH OF THE PARTIES WAIVES ANY RIGHTS TO A TRIAL BY JURY.**

(b) **EXCEPT WHERE INJUNCTIVE OR OTHER EMERGENCY RELIEF IS SOUGHT, THE PARTIES AGREE THAT, AS A CONDITION PRECEDENT TO ANY ACTION REGARDING DISPUTES ARISING UNDER THIS AGREEMENT, SUCH DISPUTES SHALL FIRST BE SUBMITTED TO MEDIATION BEFORE A PROFESSIONAL MEDIATOR SELECTED BY THE PARTIES, AT A MUTUALLY AGREED TIME AND PLACE, AND WITH THE MEDIATOR'S FEES SPLIT EQUALLY BETWEEN THE PARTIES.**

15. GOVERNING LAW. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Texas without regard to its conflicts of law principles.

16. MISCELLANEOUS. All references to sections of any statute shall be deemed also to refer to any successor provisions to such sections. The obligations of the parties under Sections 7, 8, 9, 10, 11, 13, 14 and 20 hereof shall survive the expiration of the Employment Period and the termination of this Agreement. The compensation and benefits payable to the Executive or the Executive's beneficiary under Section 7 of this Agreement shall be in lieu of any other severance benefits, if any, to which the Executive may otherwise be entitled upon the Executive's termination of employment under any severance plan, program, policy or arrangement of the Company; provided, that such compensation and benefits shall not be in lieu of any compensation and benefits provided under any change of control agreement or other agreement providing any retention, incentive, or other similar bonus to the Executive, including if such retention, incentive, or other similar bonus becomes payable upon or in connection with the Executive's termination of employment or resignation.

17. SEVERABILITY. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect throughout the Employment Period. Should any one or more of the provisions of this Agreement be held to be excessive or unreasonable as to duration, geographical scope or activity, then that provision shall be construed by limiting and reducing it so as to be reasonable and enforceable to the extent compatible with the applicable law.

18. ENTIRE AGREEMENT; EFFECTIVENESS OF AGREEMENT. This Agreement sets forth the entire agreement of the parties hereto in respect of the Executive's employment with the Company (and any termination thereof) and all other subject matter contained herein, supersedes all prior agreements, promises, covenants, arrangements, communications, representations or warranties, whether oral or written, by any officer, employee or representative of any party hereto (including, but not limited to, the Prior Agreement except with respect to provisions of the Prior Agreement intended to survive the expiration or termination of the Prior Agreement, including, but not limited to, the covenants set forth in Section 9 of the Prior Agreement).

19. WITHHOLDING. The Company Group may withhold from any payments or benefits made or provided pursuant to this Agreement all federal, state, local, foreign and other taxes as may be required to be withheld under applicable law and all other employee deductions made with respect to employees or other senior executive officers of the Company Group generally.

20. COOPERATION. During the Employment Period and at any time thereafter, the Executive agrees to reasonably cooperate (with due regard given to the Executive's other commitments), (a) with the Company in the defense of any legal matter not adverse to the Executive and involving any matter that arose during the Executive's employment with the Company or any other member of the Company Group; and (b) with all government authorities on matters pertaining to any investigation, litigation or administrative proceeding pertaining to the Company or any other member of the Company Group, in each case, relating to the Executive's employment period and not adverse to the Executive. The Company will reimburse the Executive for any reasonable travel and out-of-pocket costs and expenses incurred by the Executive in providing such cooperation.

21. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date first written above.

**ACADEMY MANAGING CO., L.L.C.
NEW ACADEMY HOLDING COMPANY, LLC
ACADEMY SPORTS AND OUTDOORS, INC.**

By: /s/ Rene G. Casares
Name: Rene G. Casares
Title: Senior Vice President & General Counsel

EXECUTIVE

By: /s/ William S. Ennis, Sr.
Name: William S. Ennis, Sr.

Signature page to Employment Agreement

EXHIBIT A
FORM OF RELEASE

This form remains subject to updates for changes in applicable law.

THIS RELEASE (this “**Release**”) is executed as of the date set forth below by William S. Ennis. Sr. (the “**Executive**”).

WHEREAS, the Executive is currently employed by Academy Managing Co., L.L.C., a Texas limited liability company (the “**Company**”), pursuant to that certain Third Amended and Restated Employment Agreement by and among the Executive, the Company, New Academy Holding Company, LLC, a Delaware limited liability company, and Academy Sports and Outdoors, Inc., a Delaware corporation, dated as of December 15, 2023 (the “**Employment Agreement**”); and

WHEREAS, the Executive’s employment with the Company (together, with its subsidiaries and affiliates, the “**Company Group**”) will terminate effective as of __, 20__.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement and other good and valuable consideration, the Executive hereby agrees as follows:

The Executive shall be paid or provided severance payments and benefits in accordance with the terms and conditions of Section 7(d) of the Employment Agreement; provided, that no such severance payments and benefits shall be paid or provided if the Executive revokes this Release pursuant to paragraph 9 below.

The Executive hereby irrevocably and unconditionally releases, acquits and forever discharges each member of the Company Group and each equity holder, agent, representative, administrator, trustee, attorney, insurer, fiduciary, director, manager, officer and employee of such member of the Company Group, including their successors and assigns (collectively, “**Releasees**”), from any and all claims, liabilities, obligations, damages, causes of action, demands, costs, losses and/or expenses (including attorneys’ fees) of any nature whatsoever, whether known or unknown, arising out of or relating to the Executive’s employment or termination of employment with, the Executive’s serving in any capacity in respect of, or the Executive’s status at any time as a holder of securities of, any member of the Company Group, including, but not limited to, rights arising out of alleged violations of any contracts, express or implied, any covenant of good faith and fair dealing, express or implied, or any tort, or any legal restrictions on the Company’s right to terminate the Executive’s employment, or any federal, state or other governmental statute, regulation or ordinance, including, without limitation, Title VII of the Civil Rights Act of 1964, as amended and the Age Discrimination in Employment Act of 1967, as amended, the Texas Commission on Human Rights Act, Chapter 451 of the Texas Labor Code, the Texas Payday Law, the Equal Pay Act, the Fair Labor Standards Act, the Consolidated Omnibus Budget Reconciliation Act, the Employee Retirement Income Security Act of 1974, as amended, the Civil Rights Act of 1991, the Family and Medical Leave Act of

1993, and the Americans with Disabilities Act of 1990, which the Executive claims to have against any of the Releasees (in each case, except as to indemnification provided by (a) the Employment Agreement with the Company (as amended or superseded from time to time) and/or (b) by the Company's Regulations and any indemnification agreement or arrangement permitted by the laws of the State of Texas and by officers and other liability insurance coverages to the extent the Executive would have enjoyed such coverages had the Executive remained an officer of the Company). In addition, to the extent permitted by law, the Executive waives all rights and benefits afforded by any state laws which provide in substance that a general release does not extend to claims which a person does not know or suspect to exist in the Executive's favor at the time of executing the release which, if known by the Executive, must have materially affected the Executive's settlement with the other person.

The exceptions to the foregoing are (i) claims and rights that may arise after the date of execution of this Release, (ii) claims and rights arising or with regard to accrued benefits under any under any employee benefit plan, policy or arrangement maintained by the Company (including, but not limited to the Annual Incentive Plan), (iii) claims and rights arising with respect to severance payments and benefits payable to the Executive under Section 7(d) of the Employment Agreement, (iv) treatment of the Executive's equity awards as provided in the applicable equity plan or award agreement, (v) any existing right to indemnification under applicable corporate law, the by-laws or certificate of incorporation of the Parent, the Company or their respective affiliates or any benefit plan of the Company and its affiliates, or any agreement between the Executive and the Company, Parent or their respective affiliates, (vi) any rights of the Executive as an insured, or to coverage, under any director's and officer's liability insurance policy of the Company, the Parent or their respective affiliates, (vii) any rights or obligations of the Executive under applicable law which cannot be waived or released pursuant to an agreement, (viii) the Executive's rights to enforce this Release, and (ix) the Executive's rights under the provisions of the Employment Agreement that are intended to survive the Executive's termination of employment as expressly stated therein.

The Executive represents and warrants that the Executive has not previously filed, and to the maximum extent permitted by law, agrees not to file, a claim against any Releasee regarding any of the claims respectively released herein. If, notwithstanding this representation and warranty, the Executive has filed or files such a claim, the Executive agrees to cause such claim to be dismissed with prejudice and shall pay any and all costs required in obtaining dismissal of such claim, including without limitation the attorneys' fees and expenses of any of the parties against whom such a claim has been filed.

The Executive understands and agrees that:

1. The Executive has a period of 21 days within which to consider whether the Executive desires to execute this Release, that no one hurried the Executive into executing this Release during that 21-day period, that no one coerced the Executive into executing this Release, and that, if applicable, execution of this Release before the expiration of the 21-day period is voluntary.

2. The Executive has carefully read and fully understands all of the provisions of this Release, and declares that the Release is written in a manner that the Executive fully understands.
3. The Executive is, through this Release, releasing the Releasees from any and all claims the Executive may have against the Releasees, and that this Release constitutes a release and discharge of claims arising under the Age Discrimination in Employment Act of 1967, as amended, 29 U.S.C. §§ 621-634, including the Older Workers' Benefit Protection Act, 29 U.S.C. § 626(f).
4. The Executive declares that the Executive's agreement to all of the terms set forth in this Release is knowing and is voluntary.
5. The Executive knowingly and voluntarily intends to be legally bound by the terms of this Release.
6. The Executive was advised and hereby is advised in writing to consult with an attorney of his choice concerning the legal effect of this Release prior to executing this Release.
7. The Executive understands that rights or claims that may arise after the date this Release is executed are not waived.
8. The Executive understands that the Executive is waiving his rights or claims under the Age Discrimination in Employment Act in exchange for consideration to which he is not otherwise entitled.
9. The Executive understands that, in connection with the release of any claim arising under the Age Discrimination in Employment Act, the Executive has 7 days following the Executive's execution of this Release to revoke the Executive's acceptance of this Release, and that he may deliver notification of revocation in accordance with the notice provisions in Section 11 of the Employment Agreement. The Executive understands that this Release will not become effective and binding with respect to any claim arising under the Age Discrimination in Employment Act, until after the expiration of the period during which the Executive may revoke this Release. The revocation period commences when the Executive executes this Release and ends at 11:59 p.m. on the seventh calendar day after execution, not counting the date on which the Executive executes this Release. The Executive understands that if the Executive does not deliver a notice of revocation within the time period described in this paragraph 9, this Release will become a final, binding and enforceable release of any claim of age discrimination. This right of revocation shall not affect the release of any claim other than a claim of age discrimination arising under federal law.
10. The Executive understands that nothing in this Release shall be construed to prohibit the Executive from filing a charge or complaint, including a challenge to

the validity of this Release, with the Equal Employment Opportunity Commission or participating in any investigation or proceeding conducted by the Equal Employment Opportunity Commission. Further, the Executive understands that nothing in this Release shall be deemed to limit any Releasee's right to seek immediate dismissal of such charge or complaint on the basis that the Executive's signing of this Release constitutes a full release of any individual rights under the federal discrimination laws, or to seek restitution to the extent permitted by applicable law of the payments and benefits provided to the Executive under the Agreement in the event the Executive successfully challenges the validity of this Release and prevails in any claim under the federal discrimination laws.

AGREED AND ACCEPTED, on this _____ day of _____

EXECUTIVE

By: _____
Name: William S. Ennis, Sr.

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Steven Lawrence, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended May 4, 2024 (this "Report") of Academy Sports and Outdoors, Inc. (the "Registrant");
2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;
3. Based on my knowledge, the financial statements, and other financial information included in this Report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this Report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Report based on such evaluation; and
 - d. Disclosed in this Report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of Registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

/s/ STEVEN LAWRENCE

Steven Lawrence
Chief Executive Officer
(principal executive officer)

Date: June 11, 2024

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Earl Carlton Ford, IV, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended May 4, 2024 (this "Report") of Academy Sports and Outdoors, Inc. (the "Registrant");
2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;
3. Based on my knowledge, the financial statements, and other financial information included in this Report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this Report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Report based on such evaluation; and
 - d. Disclosed in this Report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of Registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

/s/ EARL CARLTON FORD, IV

Earl Carlton Ford, IV

Executive Vice President and Chief Financial Officer
(principal financial officer)

Date: June 11, 2024

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Academy Sports and Outdoors, Inc.. (the “Company”) for the quarterly period ended May 4, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Steven Lawrence, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

/s/ STEVEN LAWRENCE

Date: June 11, 2024

Steven Lawrence
Chief Executive Officer
(principal executive officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Academy Sports and Outdoors, Inc. (the "Company") for the quarterly period ended May 4, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Earl Carlton Ford, IV, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

/s/ EARL CARLTON FORD, IV

Earl Carlton Ford, IV

Executive Vice President and Chief Financial Officer
(principal financial officer)

Date: June 11, 2024