

DICK'S SPORTING GOODS, INC.
GAAP to NON-GAAP RECONCILIATIONS
(Dollars in thousands, except per share amounts)
(unaudited)

13 Weeks Ended October 28, 2017

	Other income	Income before income taxes	Net income	Earnings per diluted share
GAAP Basis	\$ (10,768)	\$ 57,930	\$ 36,913	\$ 0.35
<i>% of Net Sales</i>	<i>(0.55)%</i>	<i>2.98%</i>	<i>1.90%</i>	
Sales tax refund ⁽¹⁾	8,104	(8,104)	(5,024)	
Non-GAAP Basis	\$ (2,664)	\$ 49,826	\$ 31,889	\$ 0.30
<i>% of Net Sales</i>	<i>(0.14)%</i>	<i>2.56%</i>	<i>1.64%</i>	

⁽¹⁾ Multi-year sales tax refund. The provision for income taxes was calculated at 38%, which approximates the Company's blended tax rate.

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39 Weeks Ended October 28, 2017

	Selling, general and administrative expenses	Pre-opening expenses	Other income	Income before income taxes	Net income ⁽⁵⁾	Earnings per diluted share
GAAP Basis	\$ 1,385,506	\$ 28,441	\$ (28,117)	\$ 321,058	\$ 207,494	\$ 1.91
<i>% of Net Sales</i>	<i>23.38%</i>	<i>0.48%</i>	<i>(0.47)%</i>	<i>5.42%</i>	<i>3.50%</i>	
Corporate restructuring charge ⁽¹⁾	(7,077)	-	-	7,077	4,388	
TSA conversion costs ⁽²⁾	-	(3,474)	-	3,474	2,154	
Contract termination payment ⁽³⁾	-	-	12,000	(12,000)	(12,000)	
Sales tax refund ⁽⁴⁾	-	-	8,104	(8,104)	(5,024)	
Non-GAAP Basis	\$ 1,378,429	\$ 24,967	\$ (8,013)	\$ 311,505	\$ 197,012	\$ 1.81
<i>% of Net Sales</i>	<i>23.26%</i>	<i>0.42%</i>	<i>(0.14)%</i>	<i>5.26%</i>	<i>3.32%</i>	

⁽¹⁾ Severance, other employee-related costs and asset write-downs related to corporate restructuring.

⁽²⁾ Costs related to converting former TSA stores.

⁽³⁾ Contract termination payment. There was no related tax expense as the Company utilized net capital loss carryforwards that were previously subject to a valuation allowance.

⁽⁴⁾ Multi-year sales tax refund.

⁽⁵⁾ The provision for income taxes for Non-GAAP adjustments was calculated at 38%, which approximates the Company's blended tax rate, unless otherwise noted.

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13 Weeks Ended October 29, 2016

	Selling, general and administrative expenses	Pre-opening expenses	Income before income taxes	Net income	Earnings per diluted share
GAAP Basis	\$ 459,782	\$ 19,304	\$ 76,270	\$ 48,914	\$ 0.44
<i>% of Net Sales</i>	<i>25.40%</i>	<i>1.07%</i>	<i>4.21%</i>	<i>2.70%</i>	
TSA conversion costs ⁽¹⁾	(6,491)	(1,145)	7,636	4,734	
Non-GAAP Basis	\$ 453,291	\$ 18,159	\$ 83,906	\$ 53,648	\$ 0.48
<i>% of Net Sales</i>	<i>25.04%</i>	<i>1.00%</i>	<i>4.63%</i>	<i>2.96%</i>	

⁽¹⁾ Costs related to converting former TSA stores. The provision for income taxes was calculated at 38%, which approximated the Company's blended tax rate.

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39 Weeks Ended October 29, 2016

	Selling, general and administrative expenses	Pre-opening expenses	Income before income taxes	Net income	Earnings per diluted share
GAAP Basis	\$ 1,300,071	\$ 34,309	\$ 315,400	\$ 197,208	\$ 1.75
<i>% of Net Sales</i>	<i>23.90%</i>	<i>0.63%</i>	<i>5.80%</i>	<i>3.63%</i>	
TSA conversion costs ⁽¹⁾	(6,491)	(1,145)	7,636	4,734	
Non-GAAP Basis	\$ 1,293,580	\$ 33,164	\$ 323,036	\$ 201,942	\$ 1.80
<i>% of Net Sales</i>	<i>23.79%</i>	<i>0.61%</i>	<i>5.94%</i>	<i>3.71%</i>	

⁽¹⁾ Costs related to converting former TSA stores. The provision for income taxes was calculated at 38%, which approximated the Company's blended tax rate.

DICK'S SPORTING GOODS, INC.
GAAP to NON-GAAP RECONCILIATIONS
(Dollars in thousands, except per share amounts)
(unaudited)

13 Weeks Ended January 28, 2017

	Cost of goods sold	Selling, general and administrative expenses	Pre-opening expenses	Income before income taxes	Net income ⁽⁵⁾	Earnings per diluted share
GAAP Basis	\$ 1,763,669	\$ 575,573	\$ 5,977	\$ 143,020	\$ 90,188	\$ 0.81
<i>% of Net Sales</i>	<i>71.02%</i>	<i>23.18%</i>	<i>0.24%</i>	<i>5.76%</i>	<i>3.63%</i>	
Inventory write-down ⁽¹⁾	(46,379)	-	-	46,379	28,755	
Non-cash impairment and store closing charge ⁽²⁾	-	(32,821)	-	32,821	20,349	
Non-operating asset impairment ⁽³⁾	-	(7,707)	-	7,707	4,778	
TSA and Golfsmith conversion costs ⁽⁴⁾	-	(2,054)	(3,957)	6,011	3,727	
Non-GAAP Basis	\$ 1,717,290	\$ 532,991	\$ 2,020	\$ 235,938	\$ 147,797	\$ 1.32
<i>% of Net Sales</i>	<i>69.15%</i>	<i>21.46%</i>	<i>0.08%</i>	<i>9.50%</i>	<i>5.95%</i>	

⁽¹⁾ Inventory write-down to net realizable value in connection with the Company's new merchandising strategy.

⁽²⁾ Included non-cash impairment of store assets and store closing charges primarily related to ten Golf Galaxy stores in overlapping trade areas with former Golfsmith stores.

⁽³⁾ Non-cash impairment charge to reduce the carrying value of a corporate aircraft held for sale to its fair market value.

⁽⁴⁾ Costs related to converting former TSA and Golfsmith stores.

⁽⁵⁾ The provision for income taxes for Non-GAAP adjustments was calculated at 38%, which approximated the Company's blended tax rate.

DICK'S SPORTING GOODS, INC.
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52 Weeks Ended January 28, 2017

	Cost of goods sold	Selling, general and administrative expenses	Pre-opening expenses	Income before income taxes	Net income ⁽⁵⁾	Earnings per diluted share
GAAP Basis	\$ 5,556,198	\$ 1,875,643	\$ 40,286	\$ 458,422	\$ 287,396	\$ 2.56
<i>% of Net Sales</i>	<i>70.14%</i>	<i>23.68%</i>	<i>0.51%</i>	<i>5.79%</i>	<i>3.63%</i>	
Inventory write-down ⁽¹⁾	(46,379)	-	-	46,379	28,755	
Non-cash impairment and store closing charge ⁽²⁾	-	(32,821)	-	32,821	20,349	
Non-operating asset impairment ⁽³⁾	-	(7,707)	-	7,707	4,778	
TSA and Golfsmith conversion costs ⁽⁴⁾	-	(8,545)	(5,102)	13,647	8,461	
Non-GAAP Basis	\$ 5,509,819	\$ 1,826,570	\$ 35,184	\$ 558,976	\$ 349,739	\$ 3.12
<i>% of Net Sales</i>	<i>69.55%</i>	<i>23.06%</i>	<i>0.44%</i>	<i>7.06%</i>	<i>4.41%</i>	

⁽¹⁾ Inventory write-down to net realizable value in connection with the Company's new merchandising strategy.

⁽²⁾ Included non-cash impairment of store assets and store closing charges primarily related to ten Golf Galaxy stores in overlapping trade areas with former Golfsmith stores.

⁽³⁾ Non-cash impairment charge to reduce the carrying value of a corporate aircraft held for sale to its fair market value.

⁽⁴⁾ Costs related to converting former TSA and Golfsmith stores.

⁽⁵⁾ The provision for income taxes for Non-GAAP adjustments was calculated at 38%, which approximated the Company's blended tax rate.

Adjusted EBITDA

Adjusted EBITDA should not be considered as an alternative to net income or any other generally accepted accounting principles measure of performance or liquidity. Adjusted EBITDA, as the Company has calculated it, may not be comparable to similarly titled measures reported by other companies. Adjusted EBITDA is a key metric used by the Company that provides a measurement of profitability that eliminates the effect of changes resulting from financing decisions, tax regulations, capital investments and certain non-recurring, infrequent or unusual items.

	13 Weeks Ended	
	October 28, 2017	October 29, 2016
	(dollars in thousands)	
Net income	\$ 36,913	\$ 48,914
Provision for income taxes	21,017	27,356
Interest expense	2,839	1,265
Depreciation and amortization	57,436	52,600
EBITDA	<u>\$ 118,205</u>	<u>\$ 130,135</u>
Add: TSA conversion costs	-	7,636
Less: Sales tax refund	(8,104)	-
Adjusted EBITDA, as defined	<u>\$ 110,101</u>	<u>\$ 137,771</u>
% decrease in adjusted EBITDA	(20)%	

	39 Weeks Ended	
	October 28, 2017	October 29, 2016
	(dollars in thousands)	
Net income	\$ 207,494	\$ 197,208
Provision for income taxes	113,564	118,192
Interest expense	6,319	4,014
Depreciation and amortization	166,521	149,131
EBITDA	<u>\$ 493,898</u>	<u>\$ 468,545</u>
Add: Corporate restructuring charge	6,129	-
Add: TSA conversion costs	3,474	7,636
Less: Contract termination payment	(12,000)	-
Less: Sales tax refund	(8,104)	-
Adjusted EBITDA, as defined	<u>\$ 483,397</u>	<u>\$ 476,181</u>
% increase in adjusted EBITDA	2%	

Reconciliation of Gross Capital Expenditures to Net Capital Expenditures

The following table represents a reconciliation of the Company's gross capital expenditures to its capital expenditures, net of tenant allowances.

	39 Weeks Ended	
	October 28, 2017	October 29, 2016
	(dollars in thousands)	
Gross capital expenditures	\$ (386,600)	\$ (307,302)
Proceeds from sale-leaseback transactions	-	-
Deferred construction allowances	78,482	114,158
Construction allowance receipts	-	-
Net capital expenditures	<u>\$ (308,118)</u>	<u>\$ (193,144)</u>

Reconciliation of Non-GAAP Consolidated Net Income and Earnings Per Diluted Share Guidance

(Dollars in thousands, except per share amounts)

	14 Weeks Ended February 3, 2018				53 Weeks Ended February 3, 2018			
	Low-End		High-End		Low-End		High-End	
	Amount	EPS	Amount	EPS	Amount	EPS	Amount	EPS
GAAP consolidated net income and earnings per diluted share	\$ 110,160	\$ 1.05	\$ 122,560	\$ 1.17	\$ 317,043	\$ 2.95	\$ 330,043	\$ 3.07
Corporate restructuring charge	-		-		7,077		7,077	
TSA conversion costs	-		-		3,474		3,474	
Contract termination payment	-		-		(12,000)		(12,000)	
Sales tax refund	-		-		(8,104)		(8,104)	
Loyalty program enhancement costs	12,000		12,000		12,000		12,000	
Tax effect of the above items	4,560		4,560		5,490		5,490	
Non-GAAP consolidated net income and earnings per diluted share	<u>\$ 117,600</u>	<u>\$1.12</u>	<u>\$ 130,000</u>	<u>\$1.24</u>	<u>\$ 314,000</u>	<u>\$2.92</u>	<u>\$ 327,000</u>	<u>\$3.04</u>