

## Non-GAAP Net Income and Earnings Per Share Reconciliation

(in thousands, except per share data):

	<b>Fiscal 2016</b>		
	<b>13 Weeks Ended October 29, 2016</b>		
	<b>As Reported</b>	<b>TSA Integration Costs</b>	<b>Non-GAAP Total</b>
Net sales	\$ 1,810,347	\$ -	\$ 1,810,347
Cost of goods sold, including occupancy and distribution costs	1,257,504	-	1,257,504
<b>GROSS PROFIT</b>	<b>552,843</b>	<b>-</b>	<b>552,843</b>
Selling, general and administrative expenses	459,782	(6,491)	453,291
Pre-opening expenses	19,304	(1,145)	18,159
<b>INCOME FROM OPERATIONS</b>	<b>73,757</b>	<b>7,636</b>	<b>81,393</b>
Interest expense	1,265	-	1,265
Other income	(3,778)	-	(3,778)
<b>INCOME BEFORE INCOME TAXES</b>	<b>76,270</b>	<b>7,636</b>	<b>83,906</b>
Provision for income taxes	27,356	2,902	30,258
<b>NET INCOME</b>	<b>\$ 48,914</b>	<b>\$ 4,734</b>	<b>\$ 53,648</b>
<b>EARNINGS PER COMMON SHARE:</b>			
Basic	\$ 0.44		\$ 0.49
Diluted	\$ 0.44		\$ 0.48
<b>WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:</b>			
Basic	110,607		110,607
Diluted	111,826		111,826

During the third quarter of 2016, the Company incurred costs of \$7.6 million, pre-tax, to convert former TSA stores to DICK'S Sporting Goods stores. The provision for income taxes was calculated at 38%, which approximates the Company's blended tax rate.

## Non-GAAP Net Income and Earnings Per Share Reconciliation

(in thousands, except per share data):

	<b>Fiscal 2016</b>		
	<b>39 Weeks Ended October 29, 2016</b>		
	<b>As Reported</b>	<b>TSA Integration Costs</b>	<b>Non-GAAP Total</b>
Net sales	\$ 5,438,548	\$ -	\$ 5,438,548
Cost of goods sold, including occupancy and distribution costs	3,792,529	-	3,792,529
GROSS PROFIT	1,646,019	-	1,646,019
Selling, general and administrative expenses	1,300,071	(6,491)	1,293,580
Pre-opening expenses	34,309	(1,145)	33,164
INCOME FROM OPERATIONS	311,639	7,636	319,275
Interest expense	4,014	-	4,014
Other income	(7,775)	-	(7,775)
INCOME BEFORE INCOME TAXES	315,400	7,636	323,036
Provision for income taxes	118,192	2,902	121,094
NET INCOME	<u>\$ 197,208</u>	<u>\$ 4,734</u>	<u>\$ 201,942</u>
EARNINGS PER COMMON SHARE:			
Basic	\$ 1.77		\$ 1.81
Diluted	\$ 1.75		\$ 1.80
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:			
Basic	111,328		111,328
Diluted	112,407		112,407

During the third quarter of 2016, the Company incurred costs of \$7.6 million, pre-tax, to convert former TSA stores to DICK'S Sporting Goods stores. The provision for income taxes was calculated at 38%, which approximates the Company's blended tax rate.

**Non-GAAP Net Income and Earnings Per Share Reconciliation**

(in thousands, except per share data):

	<b>Fiscal 2015</b>		
	<b>13 Weeks Ended October 31, 2015</b>		
	<b>As Reported</b>	<b>Litigation Settlement Charge</b>	<b>Non-GAAP Total</b>
Net sales	\$ 1,642,627	\$ -	\$ 1,642,627
Cost of goods sold, including occupancy and distribution costs	1,154,251	-	1,154,251
GROSS PROFIT	488,376	-	488,376
Selling, general and administrative expenses	395,015	(7,884)	387,131
Pre-opening expenses	16,280	-	16,280
INCOME FROM OPERATIONS	77,081	7,884	84,965
Interest expense	1,076	-	1,076
Other expense	1,185	-	1,185
INCOME BEFORE INCOME TAXES	74,820	7,884	82,704
Provision for income taxes	27,605	3,154	30,759
NET INCOME	<u>\$ 47,215</u>	<u>\$ 4,730</u>	<u>\$ 51,945</u>
EARNINGS PER COMMON SHARE:			
Basic	\$ 0.41		\$ 0.45
Diluted	\$ 0.41		\$ 0.45
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:			
Basic	114,978		114,978
Diluted	116,506		116,506

During the third quarter of 2015, the Company recorded a pre-tax litigation settlement charge of \$7.9 million. The provision for income taxes was calculated at 40%, which approximated the Company's blended tax rate.

### Non-GAAP Net Income and Earnings Per Share Reconciliation

(in thousands, except per share data):

	<b>Fiscal 2015</b>		
	<b>39 Weeks Ended October 31, 2015</b>		
	<b>As Reported</b>	<b>Litigation Settlement Charge</b>	<b>Non-GAAP Total</b>
Net sales	\$ 5,030,914	\$ -	\$ 5,030,914
Cost of goods sold, including occupancy and distribution costs	3,519,993	-	3,519,993
GROSS PROFIT	1,510,921	-	1,510,921
Selling, general and administrative expenses	1,151,686	(7,884)	1,143,802
Pre-opening expenses	31,836	-	31,836
INCOME FROM OPERATIONS	327,399	7,884	335,283
Interest expense	2,550	-	2,550
Other income	(812)	-	(812)
INCOME BEFORE INCOME TAXES	325,661	7,884	333,545
Provision for income taxes	124,262	3,154	127,416
NET INCOME	<u>\$ 201,399</u>	<u>\$ 4,730</u>	<u>\$ 206,129</u>
EARNINGS PER COMMON SHARE:			
Basic	\$ 1.73		\$ 1.78
Diluted	\$ 1.71		\$ 1.75
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:			
Basic	116,101		116,101
Diluted	117,739		117,739

During the third quarter of 2015, the Company recorded a pre-tax litigation settlement charge of \$7.9 million. The provision for income taxes was calculated at 40%, which approximated the Company's blended tax rate.

## Non-GAAP Net Income and Earnings Per Share Reconciliation

(in thousands, except per share data):

	<b>Fiscal 2015</b>		
	<b>52 Weeks Ended January 30, 2016</b>		
	<b>As Reported</b>	<b>Litigation Settlement Charge</b>	<b>Non-GAAP Total</b>
Net sales	\$ 7,270,965	\$ -	\$ 7,270,965
Cost of goods sold, including occupancy and distribution costs	5,088,078	-	5,088,078
<b>GROSS PROFIT</b>	2,182,887	-	2,182,887
Selling, general and administrative expenses	1,613,075	(7,884)	1,605,191
Pre-opening expenses	34,620	-	34,620
<b>INCOME FROM OPERATIONS</b>	535,192	7,884	543,076
Interest expense	4,012	-	4,012
Other expense	305	-	305
<b>INCOME BEFORE INCOME TAXES</b>	530,875	7,884	538,759
Provision for income taxes	200,484	3,154	203,638
<b>NET INCOME</b>	<b>\$ 330,391</b>	<b>\$ 4,730</b>	<b>\$ 335,121</b>
<b>EARNINGS PER COMMON SHARE:</b>			
Basic	\$ 2.87		\$ 2.91
Diluted	\$ 2.83		\$ 2.87
<b>WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:</b>			
Basic	115,230		115,230
Diluted	116,794		116,794

During the third quarter of 2015, the Company recorded a pre-tax litigation settlement charge of \$7.9 million. The provision for income taxes was calculated at 40%, 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.

	<b>13 Weeks Ended</b>	
	<b>October 29, 2016</b>	<b>October 31, 2015</b>
	<b>(dollars in thousands)</b>	
Net income	\$ 48,914	\$ 47,215
Provision for income taxes	27,356	27,605
Interest expense	1,265	1,076
Depreciation and amortization	52,600	46,087
EBITDA	<u>\$ 130,135</u>	<u>\$ 121,983</u>
Add: TSA integration costs	7,636	-
Add: Litigation settlement charge	-	7,884
Adjusted EBITDA, as defined	<u>\$ 137,771</u>	<u>\$ 129,867</u>
% increase in adjusted EBITDA		6%

	<b>39 Weeks Ended</b>	
	<b>October 29, 2016</b>	<b>October 31, 2015</b>
	<b>(dollars in thousands)</b>	
Net income	\$ 197,208	\$ 201,399
Provision for income taxes	118,192	124,262
Interest expense	4,014	2,550
Depreciation and amortization	149,131	136,683
EBITDA	<u>\$ 468,545</u>	<u>\$ 464,894</u>
Add: TSA integration costs	7,636	-
Add: Litigation settlement charge	-	7,884
Adjusted EBITDA, as defined	<u>\$ 476,181</u>	<u>\$ 472,778</u>
% increase in adjusted EBITDA		1%

### **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.

	<b>39 Weeks Ended</b>	
	<b>October 29, 2016</b>	<b>October 31, 2015</b>
	<b>(dollars in thousands)</b>	
Gross capital expenditures	\$ (307,302)	\$ (273,962)
Proceeds from sale-leaseback transactions	-	-
Deferred construction allowances	114,158	118,647
Construction allowance receipts	-	-
Net capital expenditures	<u>\$ (193,144)</u>	<u>\$ (155,315)</u>

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

	<b>13 Weeks Ended January 28, 2017</b>				<b>52 Weeks Ended January 28, 2017</b>			
	<b>Low-End</b>		<b>High-End</b>		<b>Low-End</b>		<b>High-End</b>	
	<b>Amount</b>	<b>EPS</b>	<b>Amount</b>	<b>EPS</b>	<b>Amount</b>	<b>EPS</b>	<b>Amount</b>	<b>EPS</b>
GAAP consolidated net income and earnings per diluted share	\$ 129,000	\$ 1.15	\$ 142,000	\$ 1.27	\$ 326,000	\$ 2.91	\$ 339,000	\$ 3.03
Costs to convert former TSA and Golfsmith stores	7,500		7,500		15,000		15,000	
Tax effect of the above item	2,850		2,850		5,700		5,700	
Non-GAAP consolidated net income and earnings per diluted share	<u>\$ 133,650</u>	<u>\$ 1.19</u>	<u>\$ 146,650</u>	<u>\$ 1.31</u>	<u>\$ 335,300</u>	<u>\$ 2.99</u>	<u>\$ 348,300</u>	<u>\$ 3.11</u>