



Q1 FY22 EARNINGS PRESENTATION

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ESTABLISHED 1945

FD DISCLOSURE | FORWARD LOOKING STATEMENTS

This presentation contains forward-looking statements within the meaning of the federal securities laws. Other than statements of historical facts, all statements which address activities, events, or developments that the Company anticipates will or may occur in the future, including, but not limited to, such things as our Fiscal 2022 outlook, future capital expenditures, expansion, strategic plans, financial objectives, dividend payments, stock repurchases, growth of the Company's business and operations, including future cash flows, revenues, and earnings, the impact of the COVID-19 pandemic on our business, our effective tax rate, and other such matters, are forward-looking statements. The forward-looking statements contained in this presentation reflect our current views about future events and are subject to risks, uncertainties, assumptions and changes in circumstances that may cause events or our actual activities or results to differ significantly from those expressed in any forward-looking statement. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future events, results, actions, levels of activity, or performance or achievements. Readers are cautioned not to place undue reliance on these forward-looking statements. A number of important factors could cause actual results to differ materially from those indicated by the forward-looking statements, including, but not limited to: changes in general economic or market conditions that could affect overall consumer spending or our industry; changes to the financial health of our customers; our ability to successfully execute our long-term strategies; our ability to effectively drive operational efficiency in our business; the potential impact of new trade, tariff and tax regulations on our profitability; our ability to effectively develop and launch new, innovative and updated products; our ability to accurately forecast consumer demand for our products and manage our inventory in response to changing demands; increased competition causing us to lose market share or reduce the prices of our products or to increase significantly our marketing efforts; the impact of public health crises, including the COVID-19 pandemic, or other significant or catastrophic events; fluctuations in the costs of our products; acceleration of costs associated with the protection of the health of our employees and customers; loss of key suppliers or manufacturers or failure of our suppliers or manufacturers to produce or deliver our products in a timely or cost-effective manner, including due to port disruptions; our ability to accurately anticipate and respond to seasonal or quarterly fluctuations in our operating results; our ability to successfully manage or realize expected results from acquisition, including our acquisition of City Gear, and other significant investments or capital expenditures; the availability, integration and effective operation of information systems and other technology, as well as any potential interruption of such systems or technology; risks related to data security or privacy breaches; our ability to raise additional capital required to grow our business on terms acceptable to us; our potential exposure to litigation and other proceedings; and our ability to attract key talent and retain the services of our senior management and key employees.

These forward-looking statements are based largely on our expectations and judgments and are subject to a number of risks and uncertainties, many of which are unforeseeable and beyond our control. For additional discussion on risks and uncertainties that may affect forward-looking statements, see "Risk Factors" disclosed in our most recent Annual Report on Form 10-K. Any changes in such assumptions or factors could produce significantly different results. The Company undertakes no obligation to update forward-looking statements, whether as a result of new information, future events, or otherwise.

INTRODUCTION

- Welcome
 - Q1 FY22 Results
 - Sales – 87.3% comp
 - Brick and mortar comp increased 113.5%
 - E-commerce comp increased 1.0%
 - Operating Income - \$110.2MM
 - Diluted EPS - \$5.00
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SALES DRIVERS

Q1 FY22 Drivers:

- Business model improvements delivered early
- Continue to see large increases in new customers as well as gains in new customer retention
- Existing customer shopping frequency and order value continued to increase
- Larger impact from competitive closures and limited distribution
- Early and significant stimulus payments

FUTURE

- Continued improvements to our business model
- Additional investments in the consumer experience
- New customer retention
- Capitalize on competitive closures and the reduction in distribution of key brands
- Improved inventory position



MERCHANDISING



Category Performance

Apparel – Triple digit % comp growth
Footwear – Low 70's % comp growth
Team Sports – Triple digit % comp growth



Footwear and Apparel Performance

Men's – Low 80's % comp growth
Women's – Triple digit % comp growth
Kid's – High 60's % comp growth



Inventory

Recovery in Q2 FY22 above FY21 levels; remains below FY20
Aged inventory at historical \$ and % lows

FIRST QUARTER FISCAL 2022 RESULTS

INCOME STATEMENT

- Comp Sales - +87.3%
- 2-Year Comp Sales - +51.4%
- GM % - 41.4%
- SG&A% - 18.1%
- Operating Income – \$110.2MM
- Diluted EPS – \$5.00

CASH FLOW / BALANCE SHEET

- Cash Flow from Operations - \$107.1MM
- CapEx - \$7.0MM
- Repurchased 541,283 shares at a cost of \$37.3MM
- Cash - \$270.9MM
- Inventory - \$182.4MM
- Share repurchase authorization now at ~\$599MM

UPDATED GUIDANCE

- Drivers of FY22 Expectations
 - New consumer retention
 - E-commerce growth
 - Strong vendor relationships
 - Business model improvements
 - ✓ Double digit store unit growth
 - ✓ In-store consumer experience
 - ✓ Supply chain initiatives
 - ✓ Sales culture
- Updated FY22 Guidance
 - Sales comp ranging from positive high-single digits to positive low-double digits vs. last year
 - GM% increase vs. last year; 2Q FY22 – 4Q FY22 below 1Q FY22 results
 - SG&A % of sales decline vs. last year; 2Q FY22 – 4Q FY22 above 1Q FY22 results
 - Diluted EPS of \$8.50 - \$9.00; assumes an effective tax rate of 25.0% and a weighted average diluted share count of approximately 16.9 million

