

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): **March 20, 2023**

**Foot Locker, Inc.**

(Exact name of registrant as specified in charter)

**New York**  
(State or other jurisdiction  
of incorporation)

**1-10299**  
(Commission  
File Number)

**13-3513936**  
(IRS Employer  
Identification No.)

**330 West 34th Street, New York, New York 10001**

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(212) 720-3700**

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	FL	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

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**Item 2.02. Results of Operations and Financial Condition.**

On March 20, 2023, Foot Locker, Inc. (the “Company”) issued a press release (the “Press Release”) announcing its financial and operating results for the fourth quarter and full-year of 2022. In addition, as previously announced, on March 20, 2023, the Company will host an Investor Day event to discuss the Company’s long-term strategic priorities, growth initiatives, and financial objectives, as well as the financial and operating results for the fourth quarter and full-year of 2022. The Company has made available to investors an investor presentation on its website at [footlocker-inc.com](http://footlocker-inc.com). A copy of the Press Release and investor presentation are furnished as Exhibit 99.1 and Exhibit 99.2, respectively, to this Current Report on Form 8-K, which, in their entirety, are incorporated herein by reference.

The Company is making reference to financial measures not presented in accordance with U.S. generally accepted accounting principles (“GAAP”) in the Press Release, investor presentation, and Investor Day event. A reconciliation of these non-GAAP financial measures to the nearest comparable GAAP financial measures is contained in the attached Press Release and investor presentation. The Company believes these non-GAAP financial measures provide useful information to investors because they allow for a more direct comparison of the Company’s performance for the fourth quarter and full-year of 2022 to the Company’s performance in the comparable prior-year periods. The non-GAAP financial measures are provided in addition to, and not as an alternative to, the Company’s reported results prepared in accordance with GAAP. A reconciliation to GAAP is provided in the Condensed Consolidated Statements of Operations.

The information contained in Item 2.02 of this Current Report on Form 8-K, including Exhibit 99.1 and Exhibit 99.2, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, and shall not be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such filing.

**Item 9.01. Financial Statements and Exhibits.**

(d) *Exhibits.*

Exhibit No.	Description
<a href="#">99.1</a>	<a href="#">Press Release, dated March 20, 2023.</a>
<a href="#">99.2</a>	<a href="#">Investor Presentation, dated March 20, 2023.</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**FOOT LOCKER, INC.**

Date: March 20, 2023

By: /s/ Robert Higginbotham

Name: Robert Higginbotham

Title: Senior Vice President and Interim Chief Financial Officer

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## FOOT LOCKER, INC.

## NEWS RELEASE

Contact: Robert Higginbotham  
Interim Chief Financial Officer  
Senior Vice President, Investor Relations and Financial  
Planning & Analysis  
Foot Locker, Inc.  
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**FOOT LOCKER, INC. REPORTS FOURTH QUARTER 2022 RESULTS;  
COMPANY TO OUTLINE NEW LONG-TERM GROWTH STRATEGY AT INVESTOR DAY**

- **Total sales decreased by 0.3%; Comparable-store sales increased 4.2%**
- **Fourth quarter EPS of \$0.20 and Non-GAAP EPS of \$0.97**
- **Launching new “Lace Up” strategy with updated financial targets**
- **Reset year in 2023 expected to result in Non-GAAP EPS of \$3.35-\$3.65**
- **Beyond 2023, new strategies to drive low- to mid-twenties adjusted EPS growth**

NEW YORK, NY, March 20, 2023 – Foot Locker, Inc. (NYSE: FL), the New York-based specialty athletic retailer, today reported financial results for its fourth quarter and fiscal year ended January 28, 2023. The Company will host an Investor Day starting at 8:30 a.m. Eastern Time where it will review these results and outline a new long-term growth strategy.

“Our team delivered a great finish to the year with strong fourth quarter results that capitalized on resilient Holiday demand and a compelling assortment and inventory position from our brand partners,” said Mary Dillon, President and Chief Executive Officer. “We are entering 2023 with a focus on resetting the business – simplifying our operations and investing in our core banners and capabilities to position the Company for growth in 2024 and beyond.”

Ms. Dillon continued, “We are proud of Foot Locker’s role in influencing and serving the global sneaker community, and next year, we will celebrate the 50<sup>th</sup> anniversary of the iconic Foot Locker brand. We are incredibly excited to introduce our “Lace Up” plan with a new set of strategic imperatives and financial objectives that are designed to set us up for success for the next 50 years.”

#### **Fourth Quarter Results**

- Comparable-store sales grew by 4.2%, driven by increased traffic and improved access to high-quality inventory, resulting in broad-based strength across brands and regions.
- Total sales decreased by 0.3%, to \$2,334 million, compared with sales of \$2,341 million in the fourth quarter of 2021. Excluding the effect of foreign exchange rate fluctuations, total sales for the fourth quarter increased by 3.6%.

*Please refer to the Sales by Banner table below for detailed sales performance by banner and region*

- Gross margin declined by 290 basis points compared with the prior-year period, driven mainly by higher markdowns on increased promotional activity across the industry.

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- SG&A decreased by 10 basis points as a percentage of sales compared with the prior year, with savings from the cost optimization program, offset by inflation.
- Net income decreased to \$19 million as compared with \$103 million in the fourth quarter of fiscal 2021. Non-GAAP net income decreased to \$92 million from \$148 million in the fourth quarter of fiscal 2021.
- EPS decreased to \$0.20 per share, versus \$1.02 in the fourth quarter of fiscal 2021. Non-GAAP EPS decreased to \$0.97 per share compared with EPS of \$1.46 in the fourth quarter of fiscal 2021.

### **Balance Sheet**

At quarter-end, the Company's cash and cash equivalents totaled \$536 million, while debt on its balance sheet was \$452 million. The Company's total cash position, net of debt, was \$84 million, as compared with \$347 million last year.

As of January 28, 2023, the Company's merchandise inventories were \$1.6 billion, 29.8% higher than at the end of the fourth quarter last year.

### **Dividend and Share Repurchases**

During the fourth quarter of 2022, the Company paid a quarterly dividend of \$0.40 per share. For full-year 2022, the Company repurchased 4.1 million shares for a total of \$129 million and paid a total of \$150 million in dividends.

The Board of Directors declared a quarterly cash dividend on the Company's common stock of \$0.40 per share, which will be payable on April 28, 2023, to shareholders of record on April 14, 2023.

### **Store Base Update**

During the fourth quarter, the Company opened 21 new stores, remodeled or relocated 45 stores, and closed 101 stores.

As of January 28, 2023, the Company operated 2,714 stores in 29 countries in North America, Europe, Asia, Australia, and New Zealand. In addition, 159 franchised stores were operating in the Middle East and Asia.

### **Asia Business Model**

As part of its efforts to simplify its business model and focus on core banners and regions, the Company announced today that it is transforming its business model in Asia through the following actions:

- Closing its stores and ecommerce in Hong Kong and Macau;
- Converting its current owned and operated stores and ecommerce in Singapore and Malaysia to a license model;
- Continuing to operate stores in South Korea; and
- Continuing to pursue growth in the region through license partners.

MAP Active, Indonesia's leading lifestyle retailer, who already partners with the Company in Indonesia and the Philippines, will take over the Company's store and ecommerce operations in Singapore and Malaysia, and seek to grow in those markets and new markets in the region over time.

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## 2023 Financial Outlook

Fiscal year 2023 represents the 53 weeks ending February 3<sup>rd</sup>, 2024. The Company's full year 2023 outlook, which includes the 53<sup>rd</sup> week, is summarized in the table below.

Sales Change	Down 3.5% to 5.5% including ~1% from the extra week
Comparable Sales Change	Down 3.5% to 5.5%
Square Footage Change	Down ~4%
Licensing Revenue	~\$20 million
Gross Margin	30.8% to 31.0%
SG&A Rate	22.6% to 22.8%
D&A	~\$205 million
Interest	~\$12 million
Tax Rate	31.5% to 31.7%
Non-GAAP EPS	\$3.35-\$3.65 including \$0.15 from the extra week
Adj. Capital Expenditures*	~\$305 million

\* *Adjusted Capex includes capitalized Technology expense*

The Company provides earnings guidance only on a non-GAAP basis and does not provide a reconciliation of the Company's forward-looking capital expenditures and diluted earnings per share guidance to the most directly comparable GAAP financial measures because of the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliations.

## Investor Day

At today's Investor Day, senior management will outline the Company's new "Lace Up" plan, designed to drive the next phase of Foot Locker, Inc.'s growth and create value for all of the Company's stakeholders, including team members, communities, and investors.

The "Lace Up" plan will be guided by the following set of new strategic imperatives:

- **Expand Sneaker Culture.** Serve more sneaker occasions, provide more choice, and drive greater distinction.
- **Power Up the Portfolio.** Create more distinction among banners, including re-launching the Foot Locker brand, and transforming the Company's real estate footprint by opening new formats, shifting off-mall, and closing underperforming stores.
- **Deepen Our Relationship with Customers.** Reset the Company's loyalty program and elevate the customer relationship through enhanced analytical capabilities.
- **Be Best-in-Class Omni.** Improve the customer experience online through the full shopping journey.

In connection with its new strategic direction, the Company has set the following long-term financial targets for fiscal years 2024 through 2026.

Financial Metric	Target*
Total Sales Growth	5% to 6%
Comparable Sales Growth	3% to 4%
Square Footage Growth	Approximately 5%
Adj. EBIT Margin Rate	8.5% to 9% by 2026
Adj. EPS Growth	Low- to mid-twenties

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\* Growth rates are annual growth rates from 2023 on a 52-week basis

### **Disclosure Regarding Forward-Looking Statements**

*This report 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 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, and other such matters, are forward-looking statements. These forward-looking statements are based on many assumptions and factors which are detailed in the Company's filings with the U.S. Securities and Exchange Commission.*

*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 regarding risks and uncertainties that may affect forward-looking statements, see "Risk Factors" disclosed in the Company's Annual Report on Form 10-K for the year ended January 29, 2022 filed on March 24, 2022. Any changes in such assumptions or factors could produce significantly different results. The Company undertakes no obligation to update the forward-looking statements, whether as a result of new information, future events, or otherwise.*

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# FOOT LOCKER, INC.

## Consolidated Statements of Operations (unaudited)

Periods ended January 28, 2023 and January 29, 2022

(In millions, except per share amounts)

	Fourth Quarter		Year-to-Date	
	2022	2021	2022	2021
Sales	\$ 2,334	\$ 2,341	\$ 8,747	\$ 8,958
Licensing revenue <sup>(1)</sup>	3	3	12	10
Total revenue	2,337	2,344	8,759	8,968
Cost of sales	1,632	1,568	5,955	5,878
Selling, general and administrative expenses	521	525	1,903	1,851
Depreciation and amortization	51	55	208	197
Impairment and other	74	75	112	172
Income from operations	59	121	581	870
Interest expense, net	(2)	(6)	(15)	(14)
Other income / (expense), net <sup>(1)</sup>	(9)	32	(42)	384
Income from continuing operations before income taxes	48	147	524	1,240
Income tax expense	26	45	180	348
Net income from continuing operations	22	102	\$ 344	\$ 892
Net loss from discontinued operations, net of tax	(3)	—	(3)	—
Net income	19	102	341	892
Net loss attributable to noncontrolling interests	—	1	1	1
Net income attributable to Foot Locker, Inc.	\$ 19	\$ 103	\$ 342	\$ 893
<b>Diluted earnings per share</b>				
Earnings per share from continuing operations attributable to Foot Locker, Inc.	\$ 0.24	\$ 1.02	\$ 3.62	\$ 8.61
Net loss per share from discontinued operations, net of tax	(0.04)	—	(0.04)	—
Net earnings per share attributable to Foot Locker, Inc.	\$ 0.20	\$ 1.02	\$ 3.58	\$ 8.61
Weighted-average shares outstanding, assuming dilution	94.9	100.6	95.5	103.8

(1) During the fourth quarter of 2022, the Company has changed how it classifies licensing revenue received from partners operating our stores in the Middle East and Asia. These amounts were previously classified as part of other income / (expense), net, accordingly reclassifications have been made to prior period financial statements to conform to the current period presentation.

### Non-GAAP Financial Measures

In addition to reporting the Company's financial results in accordance with generally accepted accounting principles ("GAAP"), the Company reports certain financial results that differ from what is reported under GAAP. Effective with the first quarter of 2022, the Company excludes all gains or losses associated with the minority investments to arrive at non-GAAP earnings; previously only certain amounts were adjusted. Those amounts not previously excluded from non-GAAP earnings during 2021, represented \$17 million (\$12 million, after tax or \$0.12 per share), \$27 million (\$20 million after tax or \$0.19 per share), and \$27 million (\$20 million or \$0.21 per share) for the second, third, and fourth quarters of 2021, respectively. For the full year, this represented income of \$71 million (\$52 million after tax or \$0.50 per share) and was primarily related to our investment in Retailors, Ltd. Amounts recorded prior to 2021 were not significant. Non-GAAP financial measures that will be presented will exclude (i) minority investments, (ii) impairments and other charges, and (iii) certain tax matters that we believe are nonrecurring or unusual in nature.

Certain financial measures are identified as non-GAAP, such as sales changes excluding foreign currency fluctuations, adjusted income before income taxes, adjusted net income, and adjusted diluted earnings per share. We present certain amounts as excluding the effects of foreign currency fluctuations, which are also considered non-GAAP measures. Where amounts are expressed as excluding the effects of foreign currency fluctuations, such changes are determined by translating all amounts in both years using the prior-year average foreign exchange rates. Presenting amounts on a constant currency basis is useful to investors because it enables them to better understand the changes in our business that are not related to currency movements.

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# FOOT LOCKER, INC.

## Non-GAAP Reconciliation (unaudited)

Periods ended January 28, 2023 and January 29, 2022

(In millions, except per share amounts)

These non-GAAP measures are presented because we believe they assist investors in comparing our performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core business or affect comparability. In addition, these non-GAAP measures are useful in assessing our progress in achieving our long-term financial objectives and are consistent with how executive compensation is determined.

We estimate the tax effect of all non-GAAP adjustments by applying a marginal tax rate to each respective item. The income tax items represent the discrete amount that affected the period. The non-GAAP financial information is provided in addition, and not as an alternative, to our reported results prepared in accordance with GAAP. The various non-GAAP adjustments are summarized in the tables below.

### Reconciliation of GAAP to non-GAAP results:

	Fourth Quarter		Year-to-Date	
	2022	2021 <sup>(1)</sup>	2022	2021 <sup>(1)</sup>
<b>Pre-tax income:</b>				
Income from continuing operations before income taxes	\$ 48	\$ 147	\$ 524	\$ 1,240
Pre-tax adjustments excluded from GAAP:				
Impairment and other <sup>(2)</sup>	74	75	112	172
Other income / (expense), net <sup>(3)</sup>	9	(30)	41	(377)
Adjusted income from continuing operations before income taxes (non-GAAP)	\$ 131	\$ 192	\$ 677	\$ 1,035
<b>After-tax income:</b>				
Net income attributable to Foot Locker, Inc.	\$ 19	\$ 103	\$ 342	\$ 893
After-tax adjustments excluded from GAAP:				
Impairment and other, net of income tax benefit of \$11, \$18, \$21, and \$42, respectively <sup>(2)</sup>	63	57	91	130
Other income / (expense), net of income tax benefit/(expense) of \$2, \$(8), \$9, and \$(99), respectively <sup>(3)</sup>	7	(22)	32	(278)
Net loss from discontinued operations, net of income tax benefit of \$1, \$-, \$1, and \$-, respectively <sup>(4)</sup>	3	—	3	—
Tax reserves charge <sup>(5)</sup>	—	—	5	—
Tax benefits related to tax law rate changes <sup>(6)</sup>	—	(1)	—	(1)
Tax charge related to revaluation of certain intellectual property rights <sup>(7)</sup>	—	11	—	11
Adjusted net income (non-GAAP)	\$ 92	\$ 148	\$ 473	\$ 755

	Fourth Quarter		Year-to-Date	
	2022	2021 <sup>(1)</sup>	2022	2021 <sup>(1)</sup>
<b>Earnings per share:</b>				
Diluted earnings per share from continuing operations attributable to Foot Locker, Inc.	\$ 0.24	\$ 1.02	\$ 3.62	\$ 8.61
Diluted EPS amounts excluded from GAAP:				
Impairment and other <sup>(2)</sup>	0.66	0.57	0.95	1.24
Other income / (expense), net <sup>(3)</sup>	0.07	(0.23)	0.33	(2.68)
Tax reserves charge <sup>(5)</sup>	—	—	0.05	—
Tax benefits related to tax law rate changes <sup>(6)</sup>	—	(0.01)	—	(0.01)
Tax charge related to revaluation of certain intellectual property rights <sup>(7)</sup>	—	0.11	—	0.11
Adjusted diluted earnings per share (non-GAAP)	\$ 0.97	\$ 1.46	\$ 4.95	\$ 7.27

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# FOOT LOCKER, INC.

## Non-GAAP Reconciliation (unaudited)

Periods ended January 28, 2023 and January 29, 2022

(In millions, except per share amounts)

### Notes on Non-GAAP Adjustments:

- (1) Non-GAAP results in the fourth quarter and full year periods of 2021 were affected by the change in presentation of minority investments discussed above, which excluded \$27 million of income (\$20 million after tax or \$0.21 per share) in the fourth quarter and \$71 million of income (\$52 million after tax or \$0.50 per share) year-to-date.
- (2) For the fourth quarter of 2022, impairment and other charges included \$53 million of impairment of long-lived assets and right-of-use assets and accelerated tenancy charges. These were incurred as a result of the Company's planned wind down of the Sidestep banner, a review of underperforming stores, and the continued wind down of the remaining Footaction stores. Additionally, the Company recorded \$20 million of primarily severance costs related to the Company's reorganization, \$15 million of transformation consulting, \$9 million of litigation costs related to an employment matter, and \$8 million of Sidestep tradename asset impairment, partially offset by a \$31 million benefit from the change in fair value of the atmos contingent consideration liability. For full year 2022, impairment and other charges included \$58 million of impairment of long-lived assets and right-of-use assets and accelerated tenancy charges, \$42 million of transformation consulting, \$22 million of primarily severance costs related to the reorganization, \$9 million of litigation costs, and \$8 million of Sidestep tradename asset impairment, and \$4 million of acquisition integration costs, partially offset by a \$31 million benefit from the fair value adjustment of the atmos contingent consideration liability.

For the fourth quarter and full year periods of 2021, impairment and other charges included \$40 million and \$92 million, respectively, of impairment of long-lived assets and right-of-use assets and accelerated tenancy charges associated with the decision to exit Footaction stores and underperforming stores, \$10 million and \$42 million, respectively, of impairment of investments, and acquisition and integration costs of \$10 million and \$24 million, respectively. Additionally, the fourth quarter and full year periods of 2021 included \$11 million and \$15 million, respectively, of lease-related termination costs for several locations, \$2 million and \$4 million of support function reorganization costs, primarily severance, and a \$2 million charge related to a tradename impairment recorded in the fourth quarter of 2021. Partially offsetting these losses and charges was \$7 million of additional insurance recovery recorded in impairment and other charges that related to the book value of property losses recorded in 2020.

- (3) Other income / expense for the fourth quarter of 2022 consisted of a \$9 million loss on the sale of our minority investment in Retailors, Ltd., a publicly-listed entity. The full year of 2022 also included \$52 million of loss on the changes in fair value of the investment in Retailors, Ltd., partially offset by \$1 million of dividend income from this investment, and our share of income related to our other equity method investments of \$1 million. Additionally, we had a \$19 million gain on the divestiture of the Team Sales business that occurred in the second quarter.

Other income/ expense for the fourth quarter of 2021 consisted of \$27 million of fair value changes and our share of income related to our equity investments. For the full year, one of our minority investments, GOAT, which is measured using the fair value measurement alternative, received additional funding at a higher valuation resulting in a \$290 million fair value adjustment in the second quarter. Additionally, our Retailors, Ltd. investment generated a gain of \$77 million for the full year, which included an initial discount of \$9 million. Other minority investments generated income of \$3 million for the full year of 2021.

Other income for the thirteen weeks and fifty-two weeks ended January 29, 2022 also included \$3 million and \$7 million, respectively related to our insurance recovery from the 2020 social unrest, which is the amount by which the recovery exceeded the book value losses previously recorded.

- (4) In the fourth quarter of 2022, the Company recorded a charge to discontinued operations of \$4 million (\$3 million after tax) related to the resolution of a legal matter of a business we formerly operated.
- (5) In the second quarter of 2022, the Company recorded a \$5 million charge related to the Company's income tax reserves due to the resolution of a foreign tax settlement.
- (6) In the fourth quarter of 2021, the Company recorded a tax benefit of \$1 million in connection with a tax law change in the Netherlands.
- (7) In the fourth quarter of 2021, the Company recorded tax charges related to the revaluation of certain intellectual property rights, pursuant to a non-U.S. advance pricing agreement of \$11 million.

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# FOOT LOCKER, INC.

## Sales by Banner (unaudited)

Periods ended January 28, 2023 and January 29, 2022  
(In millions)

	Fourth Quarter				Full Year			
	2022	2021	Constant Currencies	Comparable Sales	2022	2021	Constant Currencies	Comparable Sales
Foot Locker	\$ 893	\$ 799	12.6 %	13.2 %	\$ 3,304	\$ 3,295	0.7 %	0.9 %
Champs Sports	415	472	(11.6)	(10.4)	1,681	1,939	(13.1)	(13.1)
Kids Foot Locker	192	181	6.1	4.1	708	724	(2.2)	(5.4)
WSS	166	139	19.4	10.6 <sup>(1)</sup>	604	195	209.7	n.m.
Other	15	135	n.m.	n.m.	126	742	n.m.	n.m.
North America	1,681	1,726	(2.1)	1.2	6,423	6,895	(6.6)	(7.2)
Foot Locker	455	426	15.7	12.7	1,628	1,565	16.5	14.1
Sidestep	25	19	50.6	40.0	94	76	38.4	23.0
EMEA	480	445	17.1	13.8	1,722	1,641	17.5	14.5
Foot Locker	122	121	6.9	5.7	414	373	19.5	16.0
atmos	51	49	71.7	n.m.	188	49	351.5	n.m.
Asia Pacific	173	170	25.7	5.7	602	422	58.1	16.0
<b>Total</b>	<b>\$ 2,334</b>	<b>\$ 2,341</b>	<b>3.6 %</b>	<b>4.2 %</b>	<b>\$ 8,747</b>	<b>\$ 8,958</b>	<b>0.9 %</b>	<b>(1.9)%</b>

(1) WSS' comp represents the month of January 2023.

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# FOOT LOCKER, INC.

Consolidated Balance Sheets  
(unaudited)  
(In millions)

	January 28, 2023	January 29, 2022
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 536	\$ 804
Merchandise inventories	1,643	1,266
Other current assets	342	293
	2,521	2,363
Property and equipment, net	920	917
Operating lease right-of-use assets	2,443	2,616
Deferred taxes	90	86
Goodwill	785	797
Other intangible assets, net	426	454
Minority investments	630	781
Other assets	92	121
	\$ 7,907	\$ 8,135
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 492	\$ 596
Accrued and other liabilities	568	561
Current portion of long-term debt and obligations under finance leases	6	6
Current portion of lease obligations	544	572
	1,610	1,735
Long-term debt and obligations under finance leases	446	451
Long-term lease obligations	2,230	2,363
Other liabilities	328	343
Total liabilities	4,614	4,892
Total shareholders' equity	3,293	3,243
	\$ 7,907	\$ 8,135

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# FOOT LOCKER, INC.

## Store Count and Square Footage (unaudited)

Store activity is as follows:

	January 29, 2022	Opened	Closed	January 28, 2023	Relocations/ Remodels
Foot Locker U.S. <sup>(1)</sup>	816	31	100	747	37
Foot Locker Canada	95	1	10	86	4
Champs Sports	525	3	42	486	6
Kids Foot Locker	410	22	22	410	22
WSS	98	17	—	115	4
Footaction	41	—	39	2	—
North America	1,985	74	213	1,846	73
Foot Locker Europe	626	20	18	628	24
Sidestep	86	1	9	78	—
EMEA	712	21	27	706	24
Foot Locker Pacific	94	1	1	94	15
Foot Locker Asia	30	3	—	33	—
atmos	37	4	6	35	3
Asia Pacific	161	8	7	162	18
<b>Total</b>	<b>2,858</b>	<b>103</b>	<b>247</b>	<b>2,714</b>	<b>115</b>

Selling and gross square footage are as follows:

(in thousands)	January 29, 2022		January 28, 2023	
	Selling	Gross	Selling	Gross
Foot Locker U.S. <sup>(1)</sup>	2,417	4,193	2,362	4,044
Foot Locker Canada	253	416	249	412
Champs Sports	1,905	2,985	1,792	2,809
Kids Foot Locker	748	1,274	772	1,306
WSS	958	1,217	1,138	1,435
Footaction	113	190	6	11
North America	6,394	10,275	6,319	10,017
Foot Locker Europe	1,074	2,249	1,131	2,329
Sidestep	104	196	97	186
EMEA	1,178	2,445	1,228	2,515
Foot Locker Pacific	188	294	213	325
Foot Locker Asia	114	199	126	233
atmos	36	63	37	63
Asia Pacific	338	556	376	621
<b>Total</b>	<b>7,910</b>	<b>13,276</b>	<b>7,923</b>	<b>13,153</b>

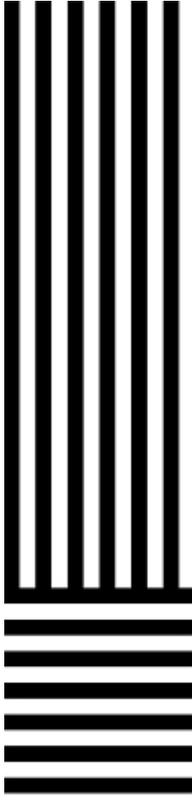
(1) Included in Foot Locker U.S. are 14 and 6 Lady Foot Locker stores as January 29, 2022 and January 28, 2023, respectively.

- END -



FOOT LOCKER, INC.  
**2023 INVESTOR DAY**  
LACING UP FOR THE FUTURE

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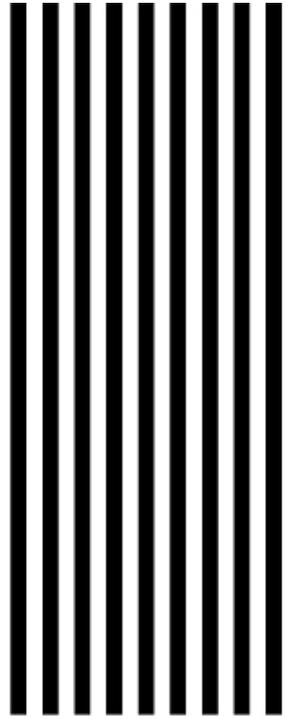
# Robert Higginbotham

INTERIM CHIEF FINANCIAL OFFICER  
SVP, INVESTOR RELATIONS AND FP&A

FOOT LOCKER, INC.

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⇒ Welcome



FOOT LOCKER, INC.

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# Disclosure Regarding Forward-Looking Statements

This presentation contains "forward-looking" statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act, as amended. The words "believe," "expect," "anticipate," "plan," "predict," "intend," "seek," "foresee," "should," "would," "could," "attempt," "appears," "forecast," "outlook," "estimate," "project," "potential," "may," "will," "likely," "guidance," "goal," "model," "target," "budget" and other similar expressions are intended to identify forward-looking statements, which are generally not historical in nature. Statements may be forward looking even in the absence of these particular words. Examples of forward-looking statements include, but are not limited to, statements regarding our financial position, business strategy, and other plans and objectives for our future operations, and generation of free cash flow. These forward-looking statements are based on our current expectations and beliefs concerning future developments and their potential effect on us. The forward-looking statements contained in this presentation are largely based on our expectations for the future, which reflect certain estimates and assumptions made by our management. These estimates and assumptions reflect our best judgment based on currently known market conditions, operating trends, and other factors. Although we believe such estimates and assumptions to be reasonable, they are inherently uncertain and involve a number of risks and uncertainties that are beyond our control. As such, management's assumptions about future events may prove to be inaccurate. For a more detailed description of the risks and uncertainties involved, see "Risk Factors" in our most recently filed Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q. We do not intend to publicly update or revise any forward-looking statements as a result of new information, future events, changes in circumstances, or otherwise. These cautionary statements qualify all forward-looking statements attributable to us, or persons acting on our behalf. Management cautions you that the forward-looking statements contained herein are not guarantees of future performance, and we cannot assure you that such statements will be realized or that the events and circumstances they describe will occur. Factors that could cause actual results to differ materially from those anticipated or implied in the forward-looking statements herein include, but are not limited to a change in the relationship with any of our key suppliers or the unavailability of premium products at competitive prices; a change in negotiated volume discounts, cooperative advertising, and markdown allowances with any of our key suppliers, or the ability to cancel orders and return excess or unneeded merchandise; our ability to fund our planned capital investments; the impact of volatility in the financial markets or other global economic factors; difficulties in appropriately allocating capital and resources among our strategic opportunities; our ability to realize the expected benefits from recent acquisitions; business opportunities and expansion; investments; expenses; dividends; share repurchases; liquidity; cash flow from operations; use of cash and cash requirements; borrowing capacity and use of proceeds; repatriation of cash to the United States; supply chain issues, including delays in merchandise receipts and increasing cost pressure caused by higher oceanic shipping and freight costs; labor shortages; expectations regarding increased wages; inflation; consumer spending levels; the effect of governmental assistance programs; social unrest; the direct and indirect effects of all variants of the coronavirus pandemic (COVID-19) on our business, including any adverse effects of the U.S. government's COVID-19 vaccine mandates; expectations regarding increasing global taxes; the impact of government regulation, including changes in law; the impact of the adverse outcome of any material litigation against us or judicial decisions that affect us or our industry generally; the effects of weather; increased competition; the financial impact of accounting regulations and critical accounting policies; credit risk relating to the risk of loss as a result of non-performance by our counterparties; and any other factors listed in the reports we have filed and may file with the SEC that are incorporated by reference herein. All written and oral forward-looking statements attributable to us are expressly qualified in their entirety by this cautionary statement. A forward-looking statement is neither a prediction nor a guarantee of future events or circumstances, and those future events or circumstances may not occur. You should not place undue reliance on forward-looking statements, which speak to our views only as of the date of this presentation.

Non-GAAP Measures – Amounts used in this presentation are on a Non-GAAP basis, a reconciliation is included in the Appendix.



FOOT LOCKER, INC.

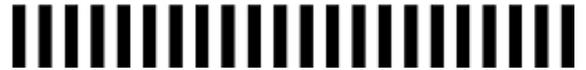


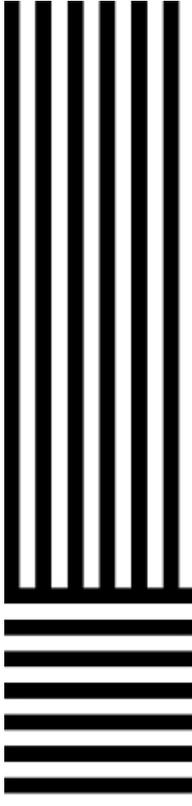
# Agenda

Time (ET)	Section	Speaker
8:30 – 8:35 AM	Welcome / 4Q'22 Highlights	Robert Higginbotham, Interim Chief Financial Officer SVP of Investor Relations and FP&A
8:35 - 9:45 AM	Management Presentations	Mary Dillon, Chief Executive Officer Chris Santaella, Chief Merchandising Officer Frank Bracken, Chief Commercial Officer Tony Aversa, SVP Global Store Development
9:45 – 10:00 AM	Break	
10:00 – 10:30 AM	Management Presentations	Peter Scaturro, SVP, Strategic Planning & Growth Elliott Rodgers, Chief Operations Officer Robert Higginbotham, Interim Chief Financial Officer SVP of Investor Relations and FP&A
10:30 – 11:15 AM	Q&A	
11:45 - 12:15 PM	Store Tour	



FOOT LOCKER, INC.





# FOURTH QUARTER

2022 RESULTS

FOOT LOCKER, INC.

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## FOURTH QUARTER 2022 HIGHLIGHTS

COMP SALES

**+4.2%**

Total sales -0.3%  
Constant FX +3.6%

NON-NIKE SALES  
(CORE BANNERS)  
INCREASED

**MID-SINGLES**

### Comps by Region

NA	+1.2%
EMEA	+13.8%
APAC	+5.7%

Gross margin

**-290bps**

On Planned Promotions

Well Positioned  
With High-quality  
Inventory  
To Start The Year

**+29.8%**  
Year-over-year

GAAP EPS

**\$0.20**

Non-GAAP EPS\*

**\$0.97**

\* A reconciliation to GAAP is provided in the Appendix

FOOT LOCKER, INC.

# 4Q GLOBAL COMP DETAIL



Footwear  
Up Mid-Singles



Apparel  
Up Low-Singles



Accessories  
Up Low Double Digits

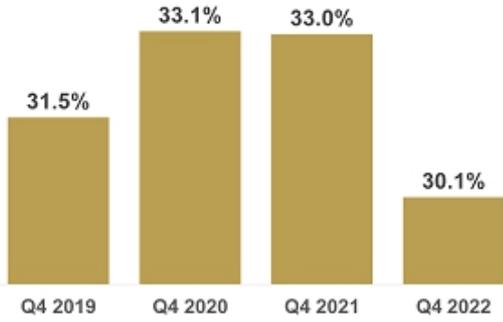


Note: data is on comp basis unless otherwise noted. All data is ex-W55/01ms

FOOT LOCKER, INC.

# FOURTH QUARTER 2022 MARGIN PERFORMANCE

## GROSS MARGIN (% of sales)

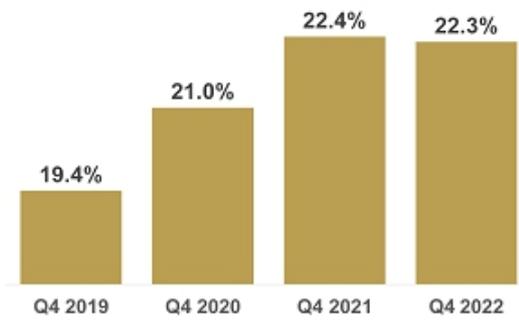


Down 290 bps Vs. Last Year

### Key Drivers

- Merchandise Margin Fell 310 Bps On Higher Markdowns And Increased Promotional Activity
- Occupancy Leveraged 20 Bps

## SG&A EXPENSES (%) of sales

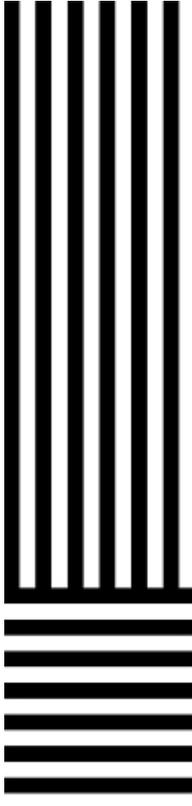


Down 10 bps Vs. Last Year

### Key Drivers

- Early Benefits From Cost Optimization
- Offset By Ongoing Inflationary Pressures

FOOT LOCKER, INC.



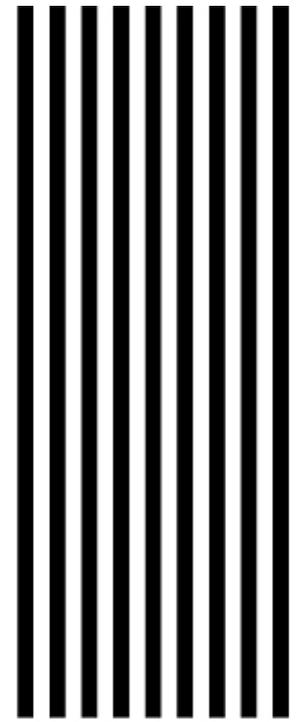
# Mary Dillon

PRESIDENT AND CHIEF EXECUTIVE OFFICER

FOOT LOCKER, INC.

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# Our → Lace Up Plan



FOOT LOCKER, INC.

---



# Foot Locker is the leader and originator of sneaker culture

WITH THE RIGHT FOCUS, INVESTMENT AND  
CAPABILITIES, WE WILL DRIVE STEADY,  
LONG-TERM PROFITABLE GROWTH

LACING UP FOR THE FUTURE



Strong Assets To Leverage



Operate In An  
Exciting, Growing Market



New Insights  
And Opportunities  
To Grow

FOOT LOCKER, INC.



# Differentiated global category leader with strong assets

50 YEAR HERITAGE  
IN SNEAKER CULTURE

## UNRIVALED BRAND

90%

Foot Locker  
Brand Awareness

&

5X

Social Media Following  
Vs. Closest Competitors

## EQUITY WITH TEENS

The ONLY 3rd party retailer recognized as a

**FAVORITE  
FOOTWEAR BRAND**

Piper Sandler "Taking Stock with Teens" report

## COMMUNITY CONNECTION

Job Creator And Career Starter

**+90%**

Of Field Team Members Are POC

## STRONG BRAND PARTNERSHIPS

**#1**

wholesale account for the  
leading brands in the  
industry



## TRUSTED EXPERTS

Striper Teams Who  
Are True  
Sneakerheads

**NPS ~90**

FOOT LOCKER, INC.

# We lead in the large and growing \$80B\* sneaker market

STRONG TAILWINDS ARE DRIVING MID-SINGLE DIGIT GROWTH ACROSS MULTIPLE NEEDS\*\*



#1

## MASS CASUALIZATION

Hybrid work model is expected to grow from 42% in 2021 to 81% in 2024

(Forbes 2022)



#2

## PERFORMANCE BECOMING MAINSTREAM

Performance footwear brands On, Salomon and Asics increasingly being adopted for non-sporting use

(Business of Fashion 2023)



#3

## SNEAKERS AS SELF-EXPRESSION

25% of teens surveyed this spring identified as Sneakerheads: 21% of all females and 28% of all males

(Piper Sandler 2021)

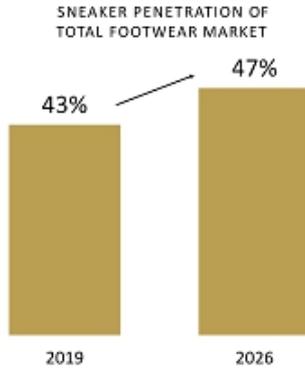
\* NPD Athletic Footwear Consumer Panel Data 2022 US and EMEA Big 5, Euromonitor Sports Footwear Canada and Australia  
\*\* Projected growth through 2026 per Euromonitor Sports Footwear Market

FOOT LOCKER, INC.

# Consumers demand choice to meet all their lifestyle needs

## SUPPORTING OUR VALUE PROPOSITION AS A MULTI-BRAND RETAILER

SNEAKERS ARE GROWING IN USE,  
TAKING A GREATER SHARE OF THE FOOTWEAR MARKET



Source: Euromonitor Sports Footwear Market

CONSUMERS CRAVE CHOICE

Of Foot Locker Transactions That  
Have More Than One Item

~40%

Have Multiple Brands\*

80%

Of Foot Lockers Highest Frequency  
Shoppers Buy Multiple Brands\*\*

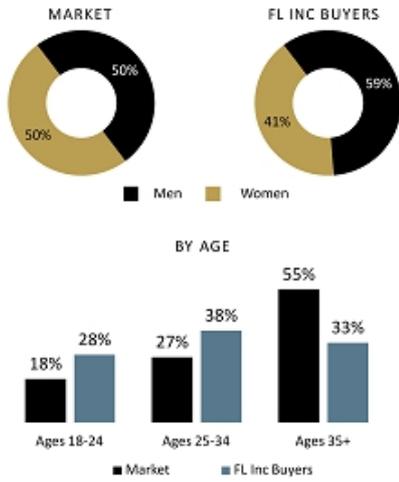
\*Based On Analysis Of Identified Customers In North America Excluding W55 And Atmos  
\*\* High Frequency Defined As Customers Who Buy Footwear >4x Over 2 Years



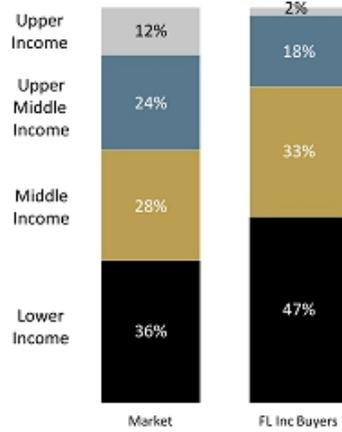
FOOT LOCKER, INC.

# We over index with a young and diverse customer and cast a wider net

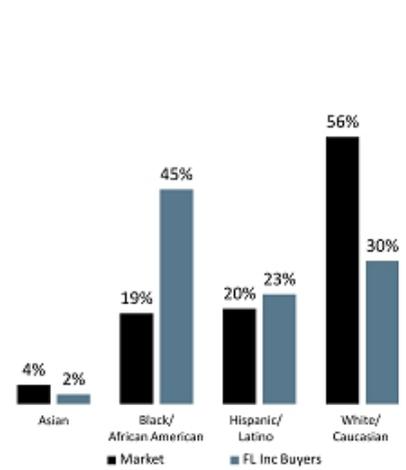
## INCLUSIVE OF ALL GENDERS & AGES WITH A GREATER SHARE OF MALES & YOUTH



## SERVING ALL INCOMES WITH 80% UNDER \$100K



## HEALTHY MIX ACROSS SPECTRUM; SKEW TOWARDS GROWING SECTIONS OF POPULATION



**WE ARE WELL POSITIONED TO SERVE THE GROWING DIVERSITY IN THE US**

Source: NPD US Footwear Consumer Panel. Data is est-W20  
 \*Lower Income\* - <\$50k | \*Middle Income\* - \$50k to \$100k | \*Upper Middle Income\* - \$100k-\$200k | \*Upper Income\* - \$200k+14

Foot Locker, Inc.

# Sneaker consumers have diverse motivations



Sneaker Maven



Fashion-Forward Expressionist



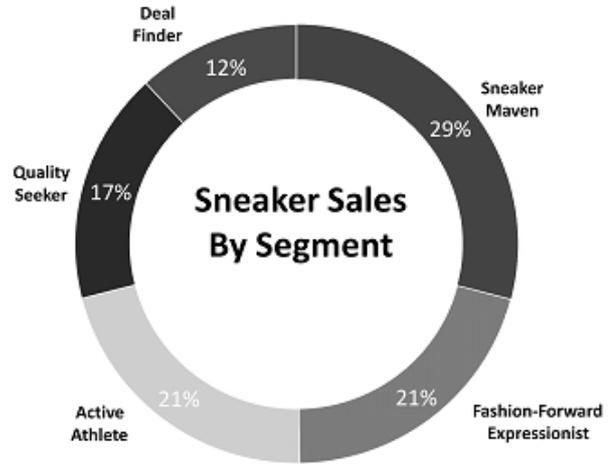
Active Athlete



Quality Seekers



Deal Finders

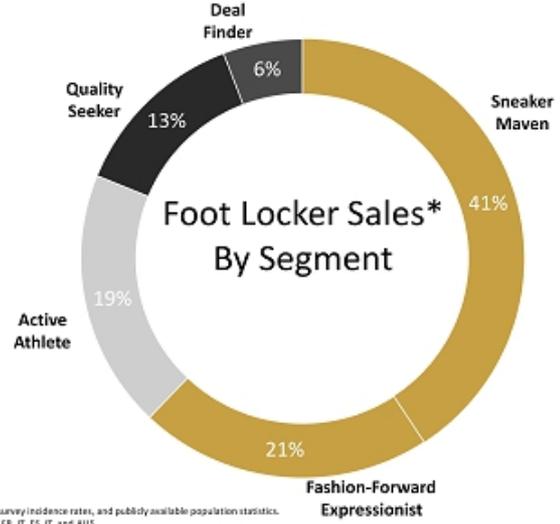


Source: Foot Locker Teen + Adult Global Footwear Segmentation (Commissioned in Q3 2023). Estimates generated from self-reported retailer purchase behavior, shopper spend, survey incidence rates, and publicly available population statistics. Survey-based market sizing techniques involve respondent bias and researcher assumptions; as a result, data should be interpreted as directional. Markets included: US, CA, UK, FR, IT, ES, PT, and AUS.

FOOT LOCKER, INC.

# Our portfolio serves across those motivations

WITH A STRONG RELATIONSHIP WITH THE SNEAKER MAVEN



\*represents only footwear sales

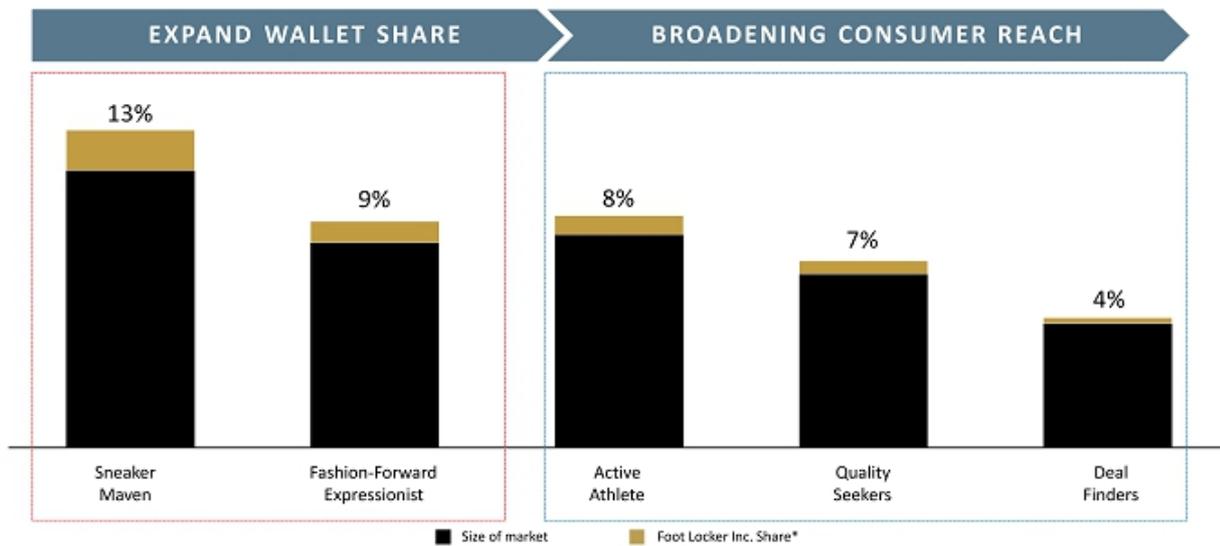
Source: Foot Locker Teen + Adult Global Footwear Segmentation (Commissioned in Q1 2023). Estimates generated from self-reported retailer purchase behavior, shopper spend, survey incidence rates, and publicly available population statistics.

Survey-based research using techniques involve respondent biases and researcher assumptions; as a result, data should be interpreted as directional. Markets included: US, CA, UK, FR, IT, ES, and AUS.



FOOT LOCKER, INC.

# We will use our “sneaker authority” and portfolio of banners to drive growth



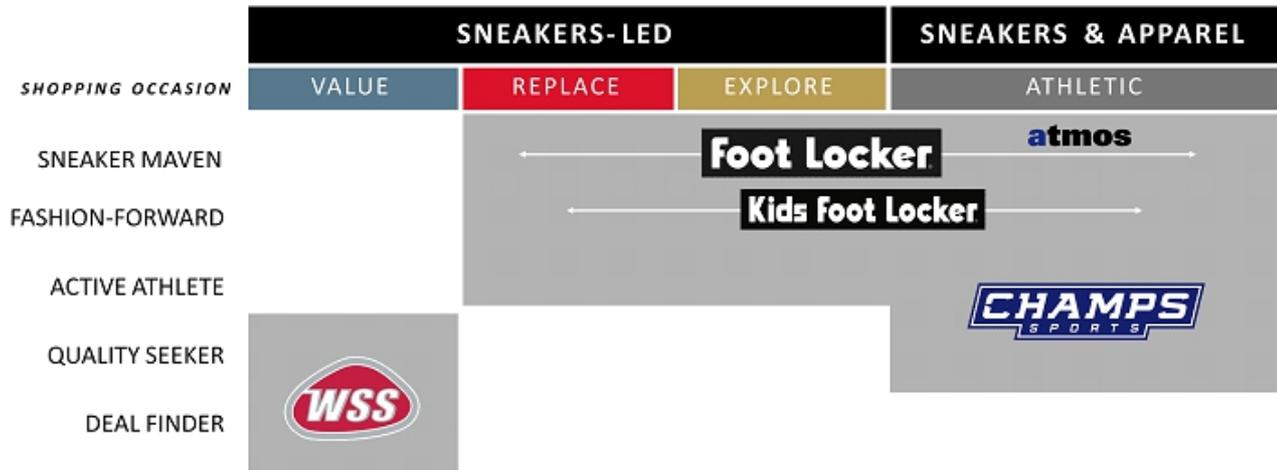
\*Represents footwear sales only

Source: Foot Locker Twin + Adult Global Footwear Segmentation (Commissioned in Q1 2023). Estimates generated from self-reported retailer purchase behavior, shopper spend, survey incidence rates, and publicly available population statistics. Survey-based market sizing techniques involve respondent biases and researcher assumptions; as a result, data should be interpreted as directional. Markets included: US, CA, UK, FR, IT, ES, IT, and AUS.

FOOT LOCKER, INC.

# SNEAKER GROWTH MAP

Each Banner Will Play A Distinct Role



FOOT LOCKER, INC.

# FOOT LOCKER VISION

Foot Locker Unlocks The  
“Inner Sneakerhead” In All Of Us –  
Sparking Discovery And Igniting The Power Of  
Sneaker Culture.

**Foot Locker**

Bring the best of sneaker culture to all

**Kids Foot Locker**

Recruit the next generation

**CHAMPS**  
SPORTS

Serve the active athlete

**WSS**

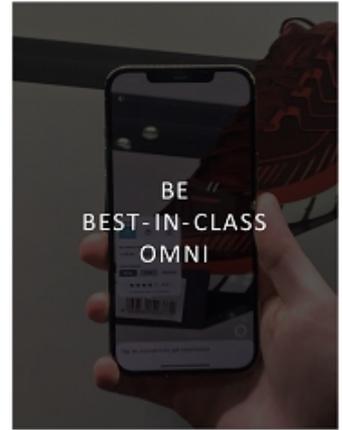
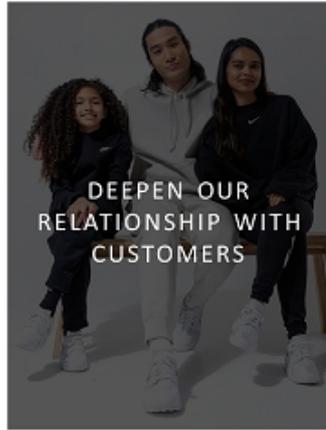
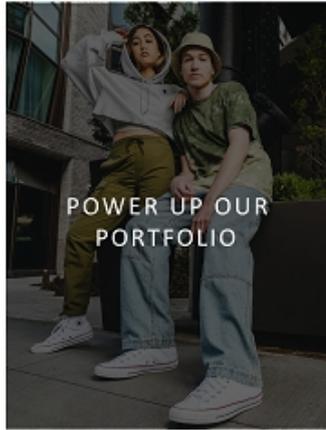
Celebrate the Hispanic community

**atmos**

Share Japanese street and sneaker culture

FOOT LOCKER, INC.

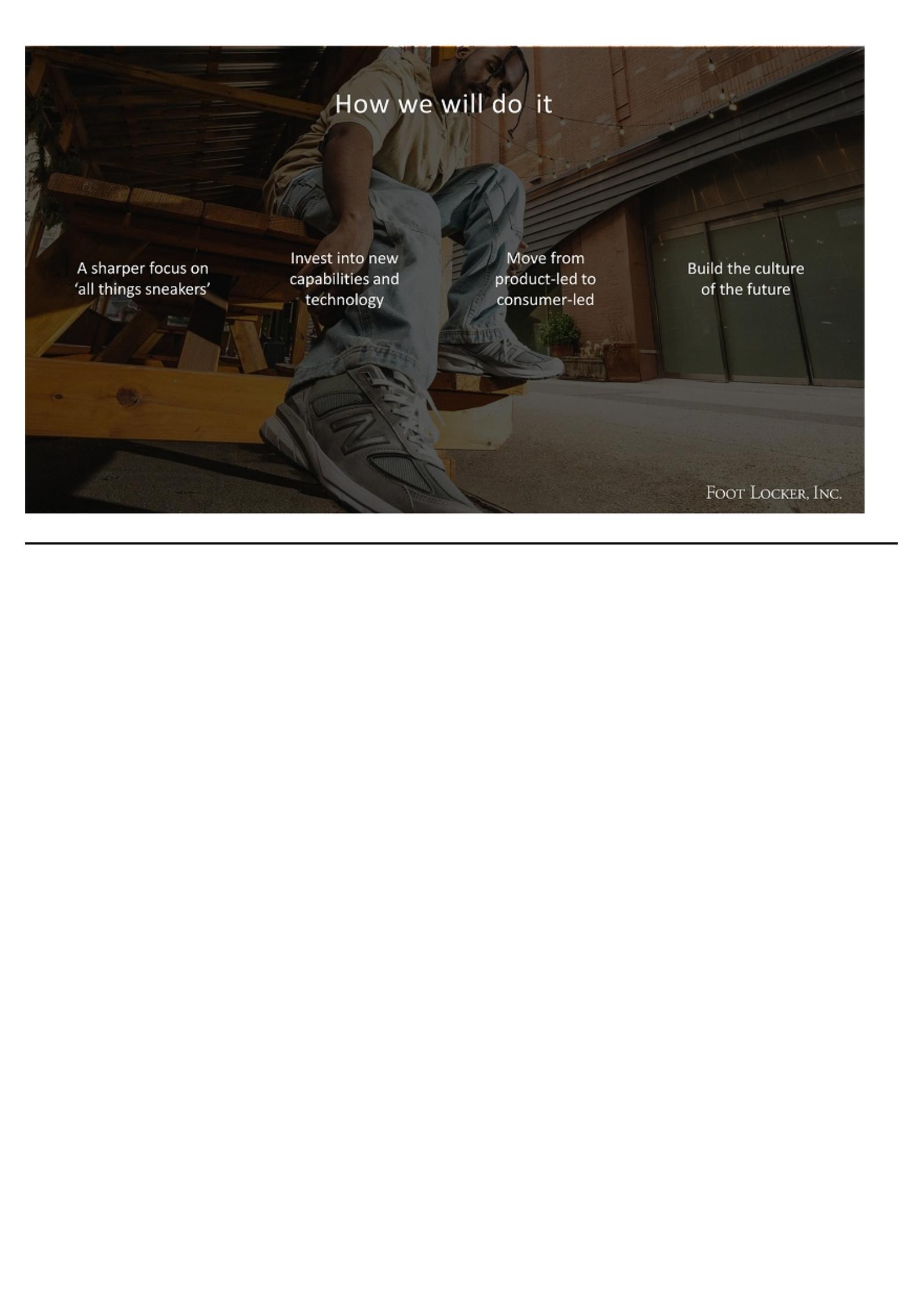
## Our “Lace Up” plan



CREATE VALUE FOR ALL STAKEHOLDERS (CUSTOMERS, COMMUNITY, TEAM MEMBERS, & INVESTORS)



FOOT LOCKER, INC.



How we will do it

A sharper focus on  
'all things sneakers'

Invest into new  
capabilities and  
technology

Move from  
product-led to  
consumer-led

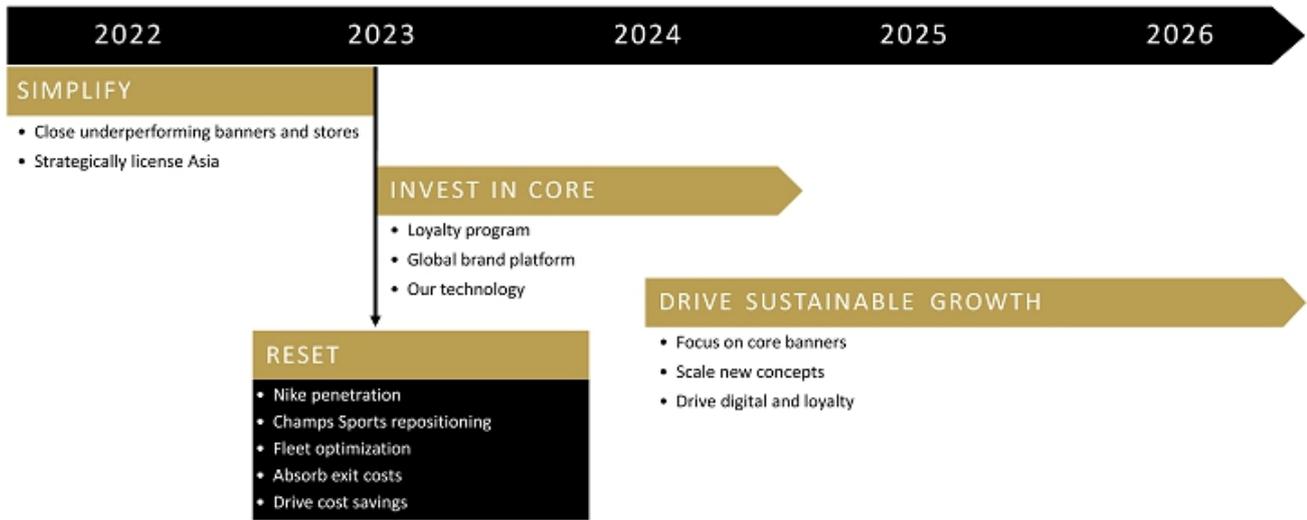
Build the culture  
of the future

FOOT LOCKER, INC.

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# Our path to get there

TRANSFORM TO GROW



FOOT LOCKER, INC.

# Our talented leadership team



**MARY DILLION**  
President  
Chief Executive Officer  
2022



**FRANK BRACKEN**  
EVP  
Chief Commercial Officer  
2010



**ELLIOTT RODGERS**  
EVP  
Chief Operations Officer  
2022



**SHEILAGH CLARKE**  
EVP  
General Counsel  
1988



**ROSALIND REEVES**  
EVP  
Chief HR Officer  
2020



**ROBERT HIGGINBOTHAM**  
Interim Chief Financial Officer  
SVP, Investor Relations, FP&A  
2022



**TONY AVERSA**  
SVP  
Store Development  
1995



**GIOVANNA CIPRIANO**  
SVP  
Chief Accounting Officer  
1995



**NATALIE ELLIS**  
VP  
ARAC Lockers  
2011



**JILL FELDMAN**  
SVP  
Lockers NA  
2021



**TODD GREENER**  
SVP  
Supply Chain  
2018



**GUY HARKLESS**  
SVP  
Champs Sports NA  
2015



**OLIVIA MATA**  
VP  
Corporate Communications  
2023



**BRYON MILBURN**  
President  
Lockers & Champs NA  
1989



**TOMAS PETERSSON**  
SVP  
EMEA Lockers  
2017



**CHRIS SANTAELLA**  
SVP  
Chief Merchandising Officer  
1991



**PETER SCATURRO**  
SVP  
Strategic Planning & Growth  
2008



**PATRICK WALSH**  
SVP  
Adms  
2016



**ADRIAN M. BUTLER**  
SVP  
Chief Technology Officer  
2023



**KIM WALDMANN**  
SVP  
Chief Customer Officer  
2023  
(Starting March 27)

FOOT LOCKER, INC.

# Our targets and long-term aspirations

FROM

WE WILL

LONG-TERM

~\$8.5B  
of revenue

SIMPLIFY / INVEST / GROW

EXPAND SNEAKER CULTURE

POWER UP THE PORTFOLIO

DEEPEN OUR RELATIONSHIP  
WITH CUSTOMERS

BE BEST IN CLASS OMNI

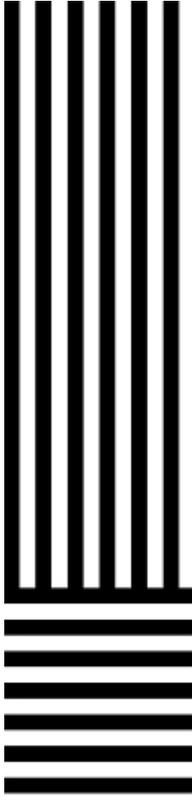
>\$10B  
of revenue

<7% EBIT margin  
<10% ROIC

CREATE VALUE FOR  
ALL STAKEHOLDERS

>10% EBIT margin  
Low to Mid-Teens ROIC

FOOT LOCKER, INC.



# Chris Santaella

CHIEF MERCHANDISING OFFICER

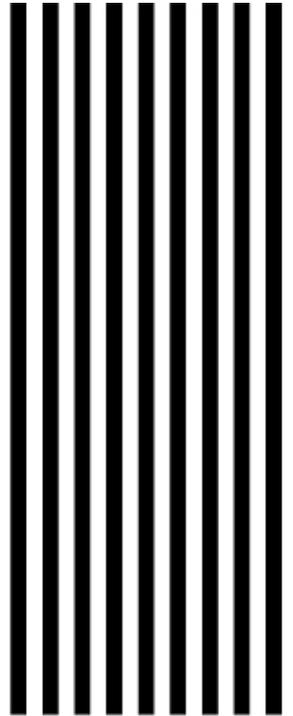
FOOT LOCKER, INC.

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STRATEGIC IMPERATIVE #1



# Expand Sneaker Culture



FOOT LOCKER, INC.

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# Sneaker culture has evolved to be more inclusive

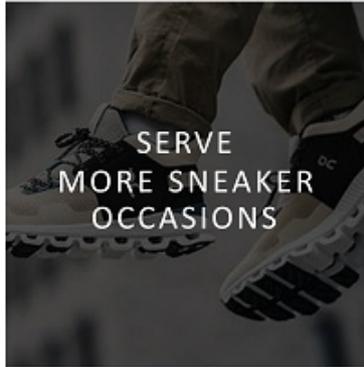
Sneaker Maven	Fashion Forward Expressionist	Active Athlete	Quality Seekers	Deal Finders
				



FOOT LOCKER, INC.

# We will leverage our key equities while increasing our array of brands to expand sneaker culture



Broaden the consumer occasions that drive sneaker buying



Strengthen brand relations to provide more choice to customers



Drive distinction through exclusive concepts and basketball leadership



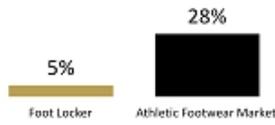
FOOT LOCKER, INC.

# Our sneaker growth map illustrates 3 sneaker occasions that provide outside opportunity

PROVIDING OPPORTUNITY TO ACQUIRE NEW CUSTOMERS WHILE  
TAKING GREATER WALLET SHARE OF EXISTING

## PERFORMANCE

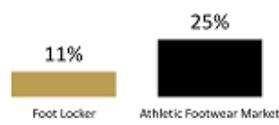
% Of Sales



Compelling Visual Technology And Comfort Are Attracting Older And More Affluent Customers Into The Category, As Well As More Women.



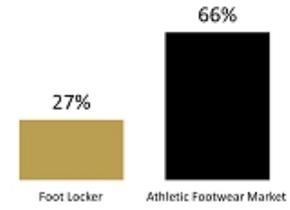
## CASUAL & SEASONAL



Female Customers Are Increasingly Participating In Sneaker Culture, Driving The Adoption And Appeal Of More Casual Sneakers And Seasonal Styles.



## UNDER \$100



Customers Want To Participate In Sneaker Culture And Desire Authentic Athletic Brands At Accessible Price Points.



Source: NPD US Consumer Panel

FOOT LOCKER, INC.

# We have revitalized our Nike relationship

BOTH COMPANIES ARE COMMITTED TO A SHARED VISION OF FUTURE GROWTH

FOOT LOCKER'S PARTNERSHIP IS COMPLEMENTARY TO NIKE'S DTC STRATEGY



FOOT LOCKER, INC.



Delivering unrivaled product  
and experiences for our  
customers



Re-launch  
House Of Hoops



Joint Kids Leadership  
Position



Tuned Air 25-year  
Anniversary



Celebrate  
Foot Locker 50

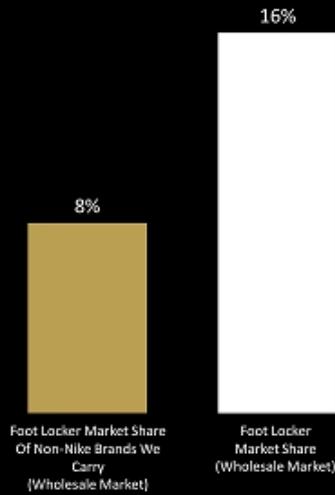


Create Path To Join Our  
Loyalty Programs

FOOT LOCKER, INC.

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OPPORTUNITY TO DOUBLE  
OUR NON-NIKE SALES



Source: NPD POS Data

Grow Non-Nike  
Brands

>2X

Company Average  
2022-2026

>40%

Of Sales By 2026

We will continue to diversify our brand mix to offer more sneaker choice and meet more occasions

DELIVERED THROUGH:

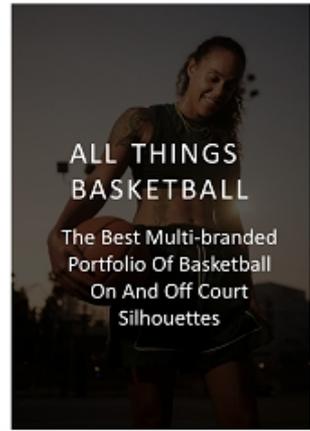
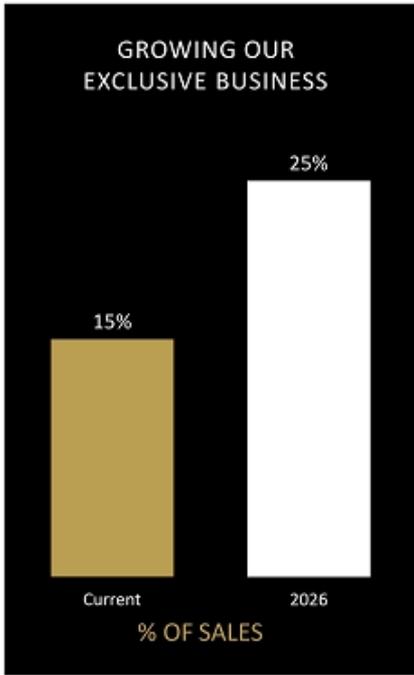
- Long Range Plans driving sustainable, scalable revenue
- Comprehensive go-to-market strategies across product, marketing, in-store and digital
- Co-created product franchises with elevated storytelling



FOOT LOCKER, INC.



We will drive distinction and scarcity to make Foot Locker Inc the 'must shop' destination



**OUR DISTINCTION IN THE MARKETPLACE WILL DELIVER:**  
Customer Loyalty, Stronger Vendor Relationships And Margin Improvement



FOOT LOCKER, INC.

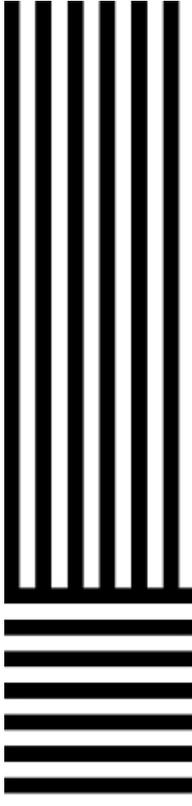


# Our aspirations

FROM		TO BY 2026
Limited sneaker occasions	SERVE MORE OCCASIONS GROWING AT >10%	>30% Of Business In Performance, Casual And Under \$100
Nike ~70% of sales	REVITALIZE OUR PARTNERSHIP WITH NIKE GROWTH BEYOND 2023	Nike ~55-60% Of Sales
Non-Nike Brands ~30% of sales	DIVERSIFY BRAND MIX NON-NIKE UP >2X AVERAGE	Non-Nike Brands >40% Of Sales
Exclusives 15% of sales	INCREASE OUR EXCLUSIVE MIX	Exclusives >25% Of Sales

FOOT LOCKER, INC.

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# Frank Bracken

CHIEF COMMERCIAL OFFICER

FOOT LOCKER, INC.

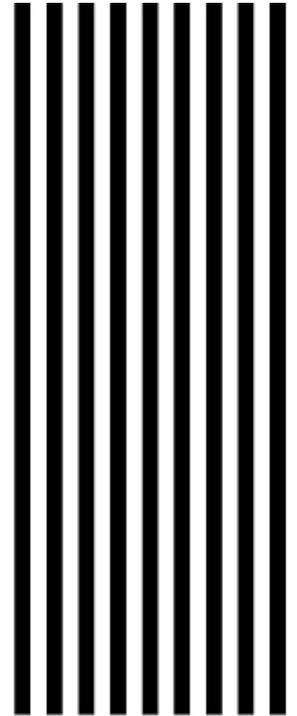
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STRATEGIC IMPERATIVE #2



# Power Up the Portfolio

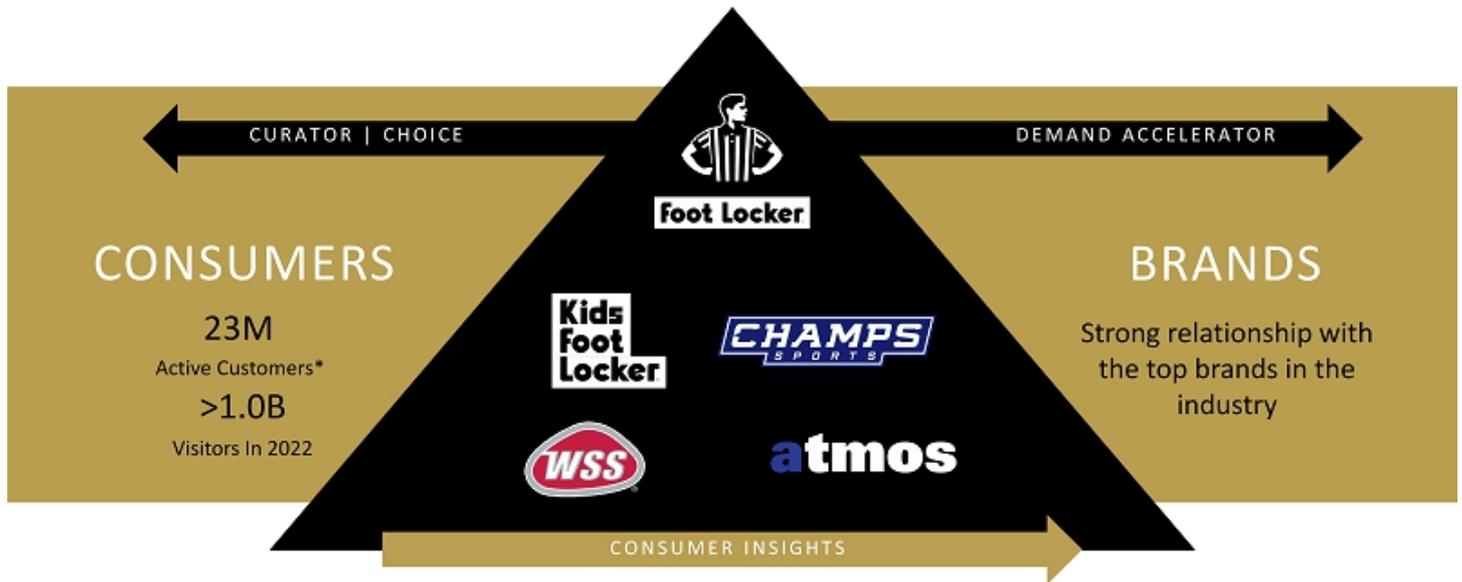
CREATING DISTINCT LANES



FOOT LOCKER, INC.

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Foot Locker Inc. plays an integral role in demand creation and serving customers choice



\*North America Only, Does not include WSS or atmos

FOOT LOCKER, INC.

We have reshaped our portfolio to deliver a more efficient operating model and sharper customer propositions

FROM

**Foot Locker**

*Eastbay*

**Lady Foot Locker**

**CHAMPS**  
SPORTS

**Kids Foot Locker**

**RUNNERS**  
POINT

**FOOTACTION** ★

**SIDESTEP**

TO

**Foot Locker**

**Kids Foot Locker**

**CHAMPS**  
SPORTS

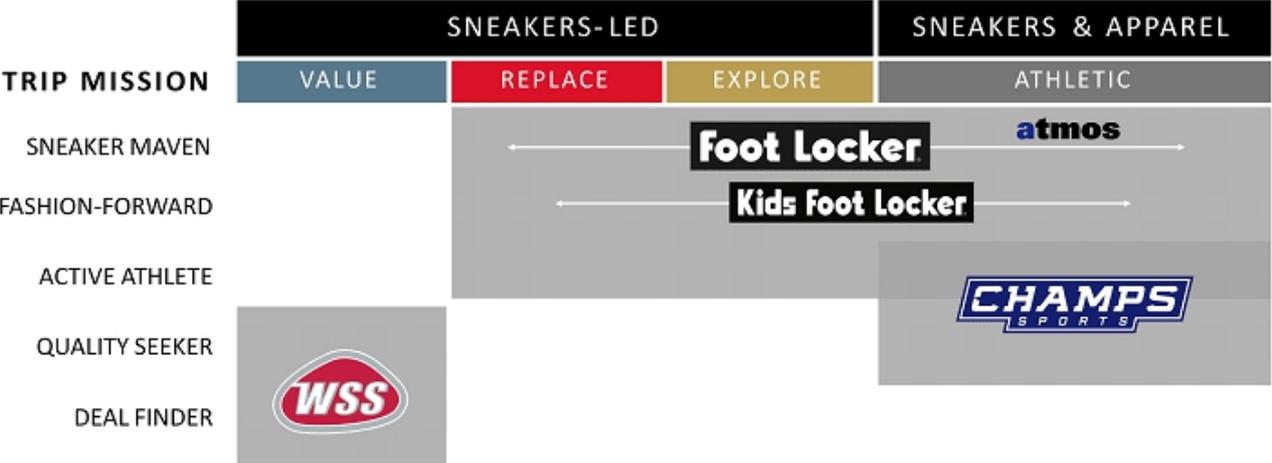
**WSS**

**atmos**  
USA - JAPAN



FOOT LOCKER, INC.

Each banner new plays a distinct role at the intersection of targeted consumer segments and critical sneaker occasions



FOOT LOCKER, INC.



**Foot Locker**

BRING THE BEST OF  
SNEAKER CULTURE  
TO MORE CONSUMERS

# Foot Locker is the global leader in sneaker culture

FOOT LOCKER HAS  
UNRIVALED BRAND HEALTH

## #1

Ranked Globally For  
Brand Health\*

## +90%

Foot Locker  
Brand Awareness

The ONLY 3rd Party Retailer  
Recognized As A

## FAVORITE FOOTWEAR BRAND \*\*

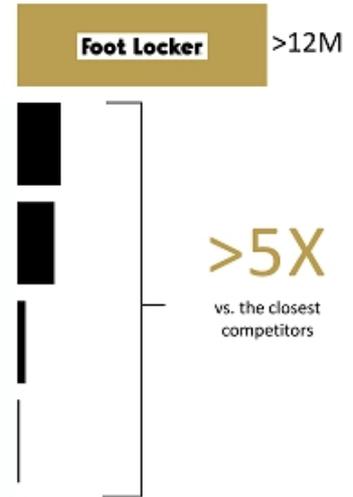
STRIPERS DIFFERENTIATE  
FOOT LOCKER FROM THE COMPETITION



## NPS ~90

Stripers Known As Friendly,  
Knowledgeable, And Trusted  
Advisors

FOOT LOCKER IS THE LEADER IN  
CONSUMER ENGAGEMENT



\*Source: Langston study; social media analytics  
\*\*Piper Sandler Taking Stock with Teens Report Fall 2022

**Foot Locker**

**Foot Locker**

WE WILL LEAD SNEAKER  
CULTURE FOR THE NEXT

**50 YEARS**

AMBITION

**\$5.3B ⇒ >\$6.0B**  
global revenues by 2026  
(+MSD% CAGR)



Reignite our global  
brand platform

Unleash the power of  
our store fleet



Strategically broaden  
assortment

Double down on Striper service





## FOOT LOCKER IS THE HEARTBEAT OF SNEAKER CULTURE

BUILDING COMMUNITIES, NOT JUST STORES

MAKING CONNECTIONS, NOT JUST SALES

PROUDLY REFLECTING OUR DIVERSITY

CELEBRATING ALL KINDS OF SNEAKER LOVE

Welcoming In The World To Experience The  
Power Of Sneakers

FOOT LOCKER, INC.

# Broadening our sneaker assortment to be the #1 destination for 'all things sneakers'

LEADING MULTI-BRANDED POSITION IN BASKETBALL



ACQUIRING NEW CUSTOMERS THROUGH RUNNING



SERVING MORE OCCASIONS THROUGH CASUAL & SEASONAL



**Foot Locker**

Unleashing the power of our store experience



Sneaker Primacy



Digitally Connected Retail Experiences

Men | Women | Kids Spaces

Merchandising & Back Of House Productivity



**Foot Locker**

# Evolving the role of the Striper to establish more meaningful connections with customers

UNRIVALED SNEAKER  
PASSION & KNOWLEDGE



SOLUTION ORIENTED &  
TECH ENABLED



BRAND AMBASSADORS &  
CONTENT CREATORS



CHARITABLE MEMBERS  
OF THE COMMUNITY



**Foot Locker**



## **Kids Foot Locker**

Recruit The Next Generation  
Of Sneakerheads Through Kid-  
First Experience

# Kids Foot Locker

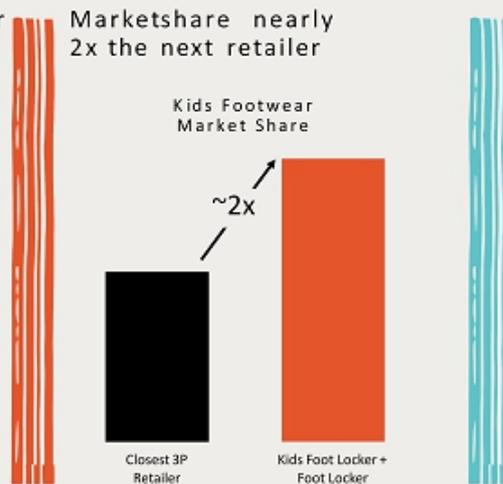
the only kids focused sneaker retailer with a full premium assortment

KFL ranks #1 place to shop for kids shoes & apparel



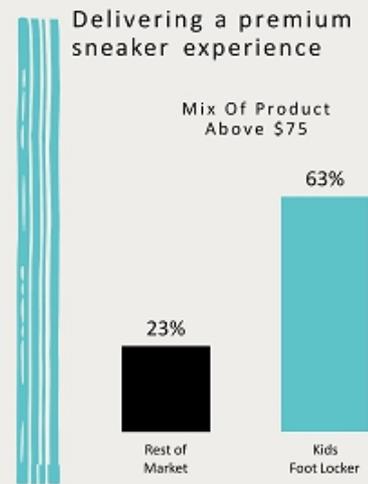
Source: Langston Kids Footwear Segmentation Study

Marketshare nearly 2x the next retailer



Source: NPD Consumer Panel P12M

Delivering a premium sneaker experience



**Kids Foot Locker**

# Adding distinct strategic value to the portfolio

LTV By Acquisition Banner

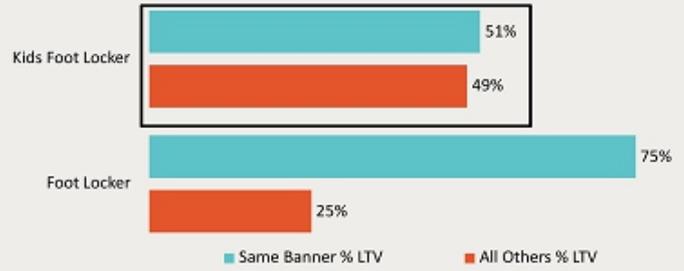


Customers Acquired Through  
KFL Are

**~20%**

More Valuable Than Other  
Banners

LTV Distribution Between  
Acquisition Banner And Other Banners



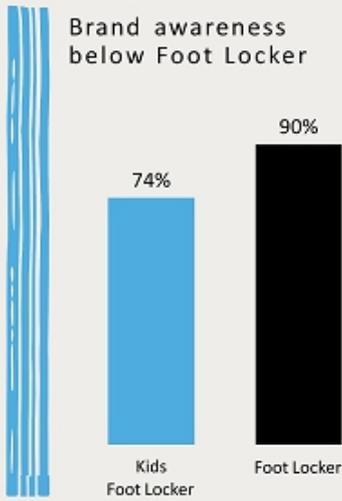
**50%**

Of Value Coming From Other  
Banners

**Kids Foot Locker**

# Kids Foot Locker still has room to grow

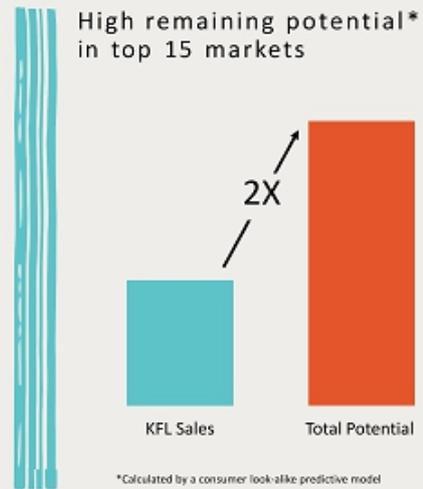
Brand awareness below Foot Locker



Opportunity to increase store footprint



High remaining potential\* in top 15 markets



**Kids Foot Locker**

# Kids Foot Locker

Path To

# ONE BILLION

Ambition

## \$700M → >\$1B

Revenues By 2026  
(+HSD to LDD% CAGR)



Deliver An  
Unrivaled  
Product  
Assortment



Grow Store  
Footprint And  
Accelerate  
House Of Play



Deepen Digital  
Connections  
With Kids And  
Their Parents

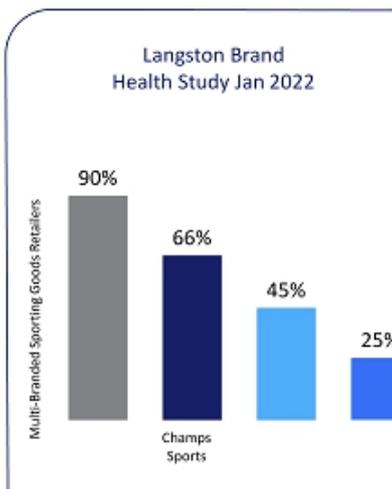


Serve the active  
athlete

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# Building upon Champs Sports strong reach to serve a broader consumer and further differentiate from Foot Locker

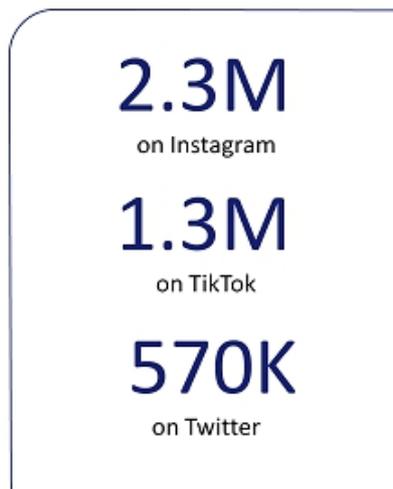
## High Brand Awareness



## Strong Presence In Health & Wellness Markets\*



## An Engaged Consumer Base



# Resetting the brand to serve a broader consumer who is grounded in sport & fitness

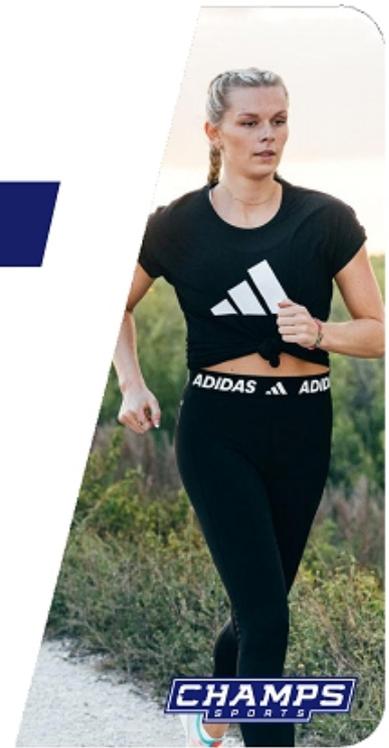
Champs Sports is being repositioned to serve the Active Athlete

## Performance THE EVERYDAY ATHLETE

- Sport/Fitness Drives Connectivity To Peer Group
- Inspired By What's In The Game And Worn On The Field
- Seeks Accessibility And Authentic, Elevated Experiences

## Lifestyle THE ATHLETIC EXPRESSIONIST

- Recognizes That The Lifestyle Has Roots In Performance
- Motivated By Key Moments In Sport And Athletes
- Appreciates The Simplicity Of One Stop Shopping





Rationalizing The Fleet

**FOCUS ON CONSUMERS IN  
KEY MARKETS**

**Ambition  
SUSTAINABLE ~\$1B**

Revenues By 2026



**FLEET  
RATIONALIZATION**

~125 Store Closures  
In 2023



**RE-PRIORITIZING KEY  
MARKETS**



**DOUBLING DOWN ON  
HEAD-TO-TOE**



Shoes. Style. Selection.®

**CELEBRATE THE HISPANIC  
COMMUNITY THROUGH  
SNEAKERS AND  
SELF-EXPRESSION**

## WSS IS THE #1 HISPANIC-FOCUSED RETAILER IN ATHLETIC FOOTWEAR

### Deep rooted community connection

OFF-MALL  
**100%**  
of stores

Underserved  
Hispanic neighborhoods

**300+**  
community events  
per year

Fully bilingual retail  
experience

### Strong customer loyalty

**>85%**  
sales from loyalty

**>3.8M**  
loyalty members

**20%**  
higher spend per visit

### Wide Breadth of product

FULL FAMILY OFFERING  
**>50%**  
women's & kids

DIVERSE PRODUCT MIX  
**<50%**  
Nike

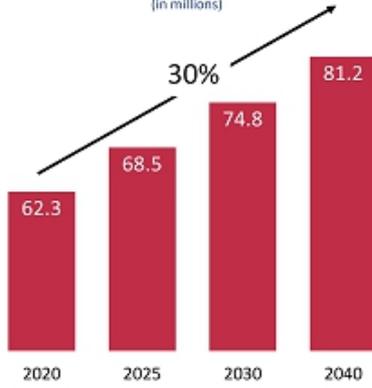
ALL FOOTWEAR PRICE POINTS  
**\$20-\$200**

**12K** SQ FT  
store size to support breadth



**SIGNIFICANT OPPORTUNITY  
TO CAPTURE THE SHIFTING  
DEMOGRAPHIC TRENDS WITHIN THE  
US**

**GROWING HISPANIC POPULATION**  
Expected to grow faster than the overall US  
population  
(in millions)



Source: Statista

**HISPANIC CONSUMER POWER**

**25%**

BY 2040

Population will be largest ethnic  
group in U.S. (up from 18% in  
2018)

**85%**

VS 80%

Spend more disposable income on  
shopping versus all other ethnic  
groups

**80%**

Prefer to shop in stores  
versus pure eCommerce

**\$2.3**

TRILLION

U.S. Hispanic GDP in 2017, up  
from \$1.7 trillion in 2010

**\$3.3**

BILLION

Amount Hispanic women  
spend per year on footwear

**40%+**

"Over-index" on footwear spending  
versus  
non-Hispanic groups

**>300** Store potential



# STRONG UNIT ECONOMICS SUPPORT SCALING CONCEPT

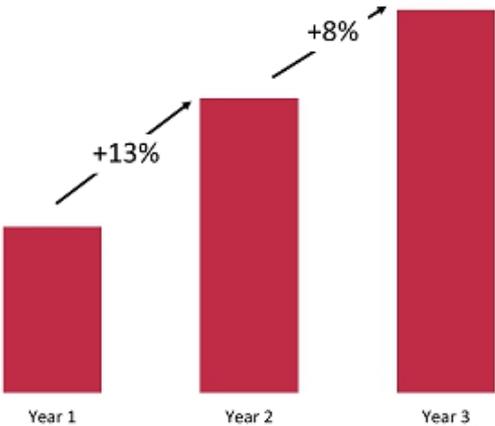
Inventory	\$625
Construction	\$1,350
Pre-opening	\$200
<b>Gross Investment</b>	<b>\$2,175</b>
Allowances/Credits	\$500
<b>Net Investment</b>	<b>\$1,675</b>

ROI  
**>40%**

Payback  
**<3 yrs**

	Year 1	Year 3
Sales*	\$4,500	\$4,900
EBITDA margin	12%	15%

New Store Sales Maturity Curve\*\*



Notes:  
 \* New store economics reflect \$4.5M in first year sales, which reflects the average of stores opened in 2021 and 2022.  
 \*\* "New Store Sales Volumes" graph reflects the average of all stores opened in California and Texas between 2015 and 2019.



Shoes. Style. Selection.®

STRATEGICALLY DEVELOPED

# ROADMAP

# FOR GROWTH

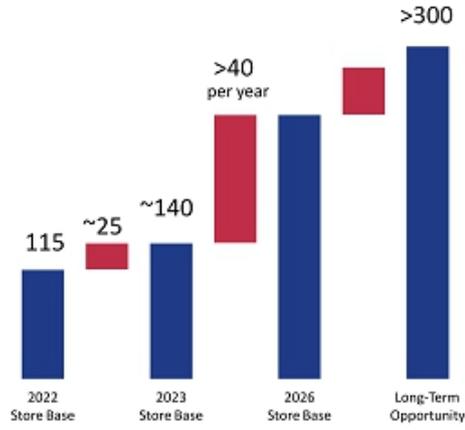
AMBITION

\$600M → ~\$1.3B

revenues By 2026  
(>20%+ CAGR)



Future expansion opportunity



Roadmap to 300 stores



**atmos**

SHARE JAPANESE STREET  
AND SNEAKER CULTURE WITH  
THE WORLD

---

AS A RESPECTED AND AUTHENTIC BRAND IN ASIA,  
ATMOS ADDS DISTINCT VALUE TO THE  
FOOT LOCKER PORTFOLIO

EMBEDDED IN A CULTURAL  
HUB OF SNEAKER CULTURE

Japan ranks

**#3**

in sneaker spend per  
capita

DIGITALLY  
FORWARD

**50%**

online penetration

HIGHLY  
PROFITABLE

**>15%**

2022 profit rate

**atmos**

---

# atmos

WILL SERVE AS THE  
INNOVATION LAB  
FOR FOOT LOCKER INC.

AMBITION

~\$190M ▶ >\$250M

global business by 2026  
(+HSD-LDD% CAGR)



#### STORE EXPERIENCE

Rooted In Japanese Culture, Each Store Has An Individualized Design Testing All Aspects Of VM



#### DIGITAL ENGAGEMENT

NFT Launch In The Metaverse

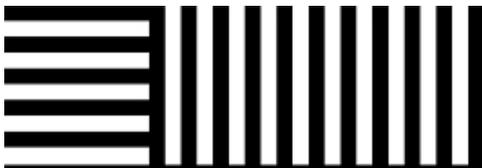
#### PRODUCT CONCEPTS & COLLABS

"Enter The Jungle" – Atmos' Bold Animal Prints Exclusives With Air Jordan Designs

#### PRIVATE LABEL

atmos 2022 Holiday Collection Enlisting Fast And Furious Star Sung Kang

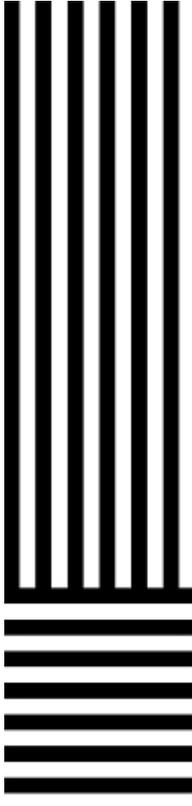




PATH TO  
**>\$9.5B**  
REVENUES

	2022	2026
<b>Foot Locker</b>	\$5.3B	>\$6.0B
<b>Kids Foot Locker</b>	\$700M	~\$1B
<b>CHAMPS SPORTS</b>	\$1.7B	~\$1B
<b>WSS</b>	\$600M	~\$1.3B
<b>atmos</b>	\$190M	>\$250M
<b>FOOT LOCKER, INC. (go-forward)</b>	<b>\$8.5B</b>	<b>&gt;\$9.5B</b>

FOOT LOCKER, INC.



# Tony Aversa

SVP, GLOBAL STORE DEVELOPMENT

FOOT LOCKER, INC.

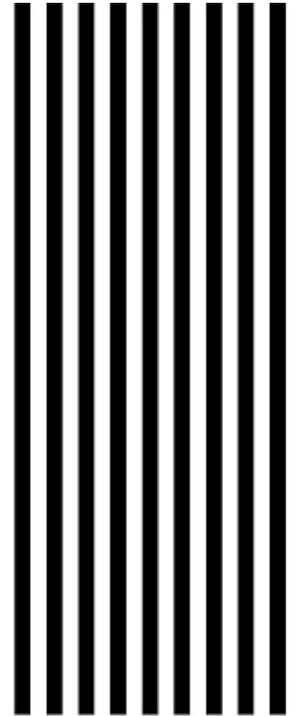
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STRATEGIC IMPERATIVE #2



# Power Up the Portfolio

TRANSFORMING THE  
REAL ESTATE PORTFOLIO



FOOT LOCKER, INC.

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# We are transforming our real estate portfolio



Scaling new concepts with bigger footprints to accelerate growth & broaden our reach



Strengthening our store portfolio off-mall and rationalizing underperforming mall stores



Optimizing our International portfolio, focusing on key markets and licensed models

FOOT LOCKER, INC.

Investing into new store concepts with expanded footprints to deliver growth

Going from  
**~120 to >400**  
new concepts in 2026



#### COMMUNITY

AVG SQ. FOOTAGE: 15K

Community focused concept located in the heart of communities with strong affinity for sneakers



#### POWER STORE

AVG SQ. FOOTAGE: 10K

Delivers an elevated experience in centers, high streets and malls with a broad set of consumers



#### HOUSE OF PLAY

AVG SQ. FOOTAGE: 7.5K

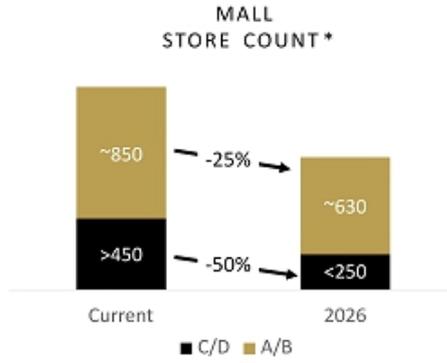
Play-focused store with elevated product presentations and storytelling



FOOT LOCKER, INC.

# Closing >400 locations to focus on higher performing doors

- Managing Portfolio Risk With Strategic Closures Of Small And Low Productivity Doors
- Closing >200 C/D Doors And >200 Lower-performing A/B Doors
- Lowering Our Term Of Remaining C/D Doors To 1.5 Years
- Shifting Resources And Product To Off-mall And Key A/B Locations



\* North America only, Standard format stores

Represents  
**~10%**  
of Company 2022 Sales

**800BPS**  
Lower Profit

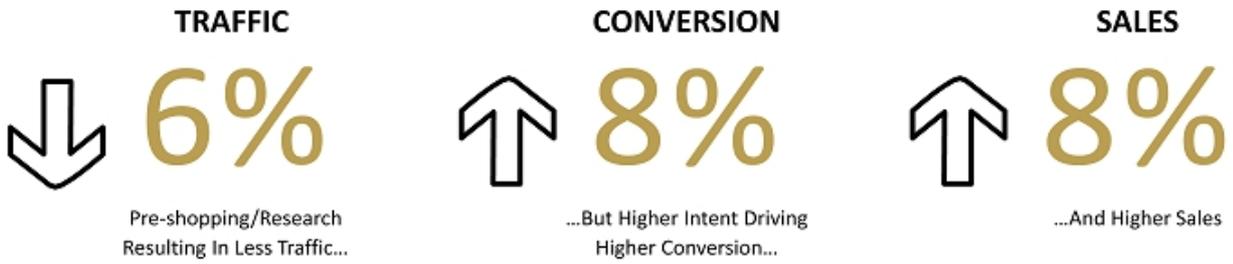
**80BPS**  
Of Margin Lift



FOOT LOCKER, INC.

# Our A/B malls have comped positive since 2019

2019 VS. 2022



“THE REPORTS OF MY DEATH HAVE BEEN GREATLY EXAGGERATED”

– A/B Malls

North America only



FOOT LOCKER, INC.

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# We are optimizing our international footprint

## STRENGTHENING OUR POSITION IN WESTERN EUROPE



## STRATEGICALLY TRANSITIONING SOUTHEAST ASIA TO A LICENSE MODEL



RETAILORS.

FOX GROUP

MAP active



■ Current Countries

■ '23 Expansion

FOOT LOCKER, INC.

# Our real estate transformation

## CURRENT

2,700 Stores

Optimizing Our Store Count (Down Over 10%)

## BY 2026

~2,400 Stores

13.2M sq. ft.

Growing Our Square Footage (Up ~10%)

14.5M sq. ft.

~120 Locations

In New Formats  
(8% Of Square Footage)

Open >300 Stores In New Concepts

>400 Locations

In New Formats  
(>20% Of Square Footage)

~35% Off-Mall\*

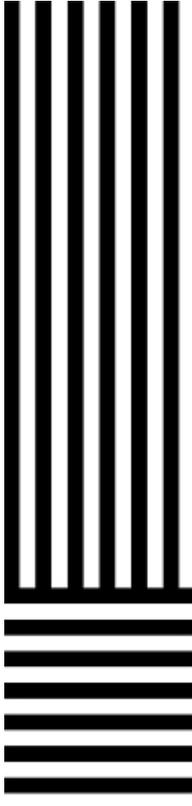
Shift To Higher Performing Off-mall Locations

>50% Off-Mall\*

\* Square Footage in North America



FOOT LOCKER, INC.



# Frank Bracken

CHIEF COMMERCIAL OFFICER

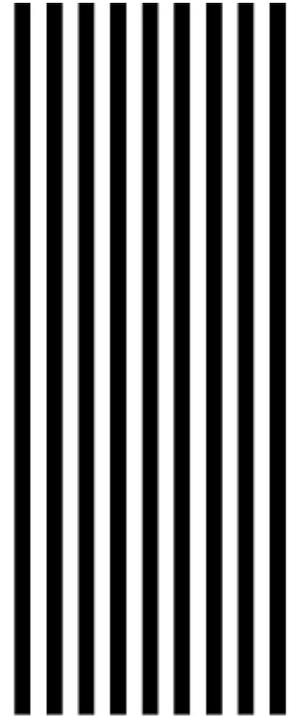
FOOT LOCKER, INC.

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STRATEGIC IMPERATIVE #3



# Deepen Our Relationship with Customers



FOOT LOCKER, INC.

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# Our different consumer segments engage in different ways

OPPORTUNITY EXISTS IN HOW WE USE OUR CHANNELS TO DRIVE GREATER, MORE EFFICIENT ACQUISITION AND RETENTION



Sneaker  
Maven



Fashion-Forward  
Expressionist



Active  
Athlete



Quality  
Seekers



Deal  
Finders

IN-STORE



SOCIAL



EVENTS



APP



DIGITAL



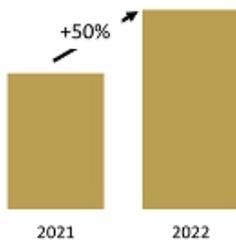
FOOT LOCKER, INC.

# FLX serves as a key unlock to reward that engagement and drive more

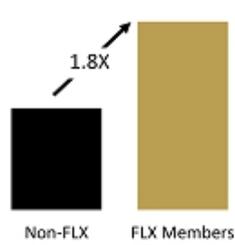
WE HAVE THE OPPORTUNITY TO DRIVE GREATER RELEVANCY IN OUR FLX PROGRAM

FLX is continuing to grow and drive improved spend...

LOYALTY MEMBERS



AVERAGE YEARLY SPEND

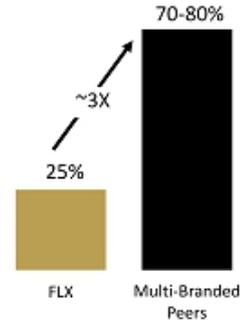


...but we are still well under penetrated

ACTIVE LOYALTY MEMBERS VS. PEERS



LOYALTY SALES TO TOTAL VS. PEERS



\*As of Dec 2022 in US and Europe; Active is defined as members who have validated, purchased, redeemed and/or engaged with the program



FOOT LOCKER, INC.



# Resetting FLX to drive relevancy with a broader range of consumers and accelerate our data efforts

## CURRENT STATE



## TARGET STATE



Program Value Primarily Attracting Core Sneakerheads Seeking Hype Product



Lack Of Deep Integration Across Customer Journey And Experience



Rewards And Redemption Center Have Limited Appeal To The Broader Audience



Broaden Program Appeal Through Points Redeemable For Purchases (Points For Payment)



Exclusive Product And Service Access For Members-only Offerings Differentiated By Status Tier



Unique Rewards And Point-multiplier Opportunities On Special Occasions To Drive Incremental Trips



Simplicity And Transparency In Design To Improve Member Experience



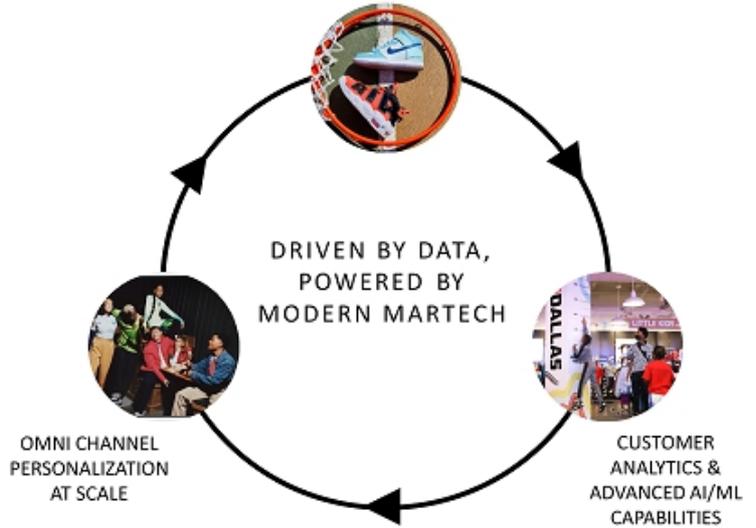
Deep Integration Throughout Omni Customer Journey With Store Teams As Advocates And Ambassadors



FOOT LOCKER, INC.

Investing into our technology  
and data talent to better know  
and serve our customers

LOYALTY MEMBERS, CONSUMER DATA PLATFORM



FOOT LOCKER, INC.

# Delivering more personalized communication, driving deeper engagement with the brand

ENGAGE



ACQUIRE



RETAIN

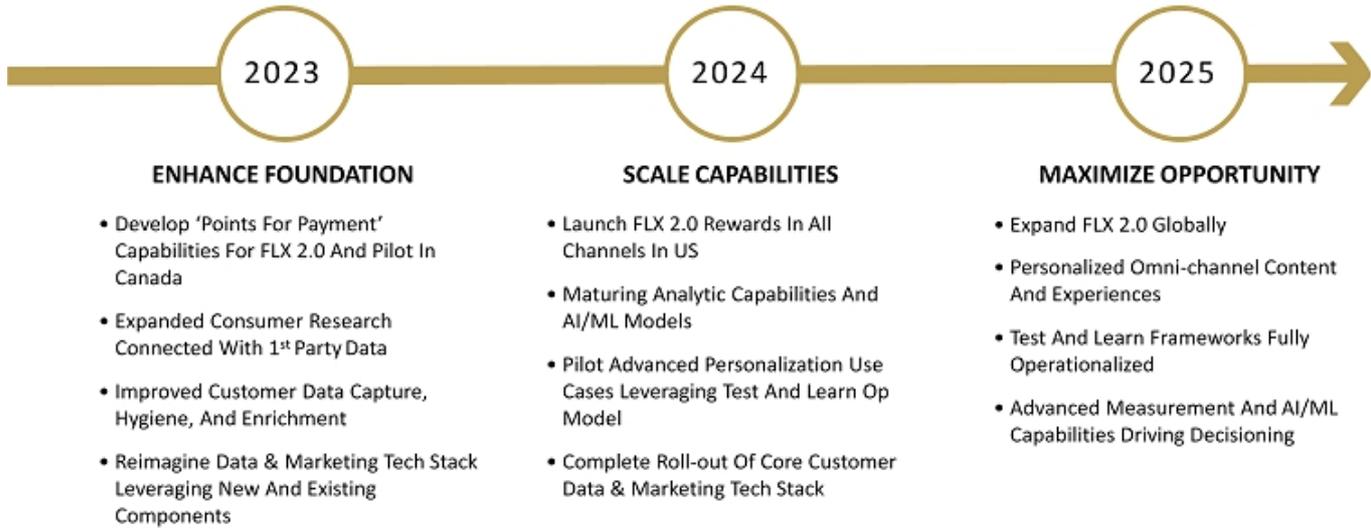


GROW



FOOT LOCKER, INC.

# Our roadmap

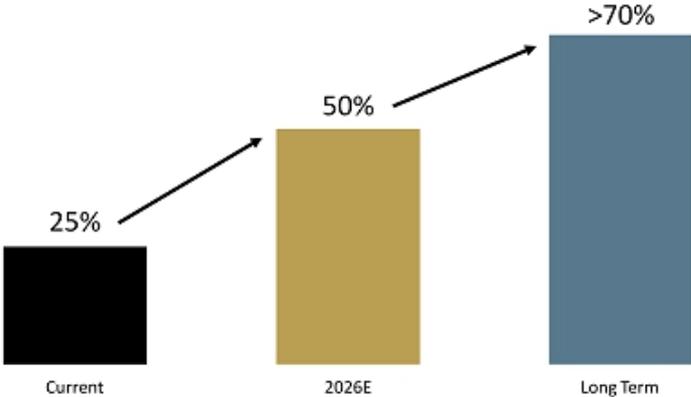


FOOT LOCKER, INC.

# Our aspirations



% LOYALTY SALES



FOOT LOCKER, INC.



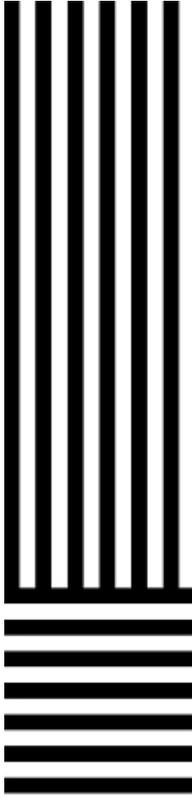


➔ **BREAK**

15 MINUTES

FOOT LOCKER, INC.

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# Peter Scaturro

SVP, STRATEGIC PLANNING & GROWTH

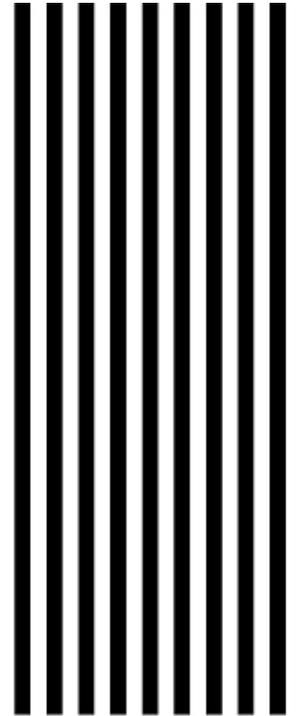
FOOT LOCKER, INC.

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STRATEGIC IMPERATIVE #4



# Best-In-Class Omni

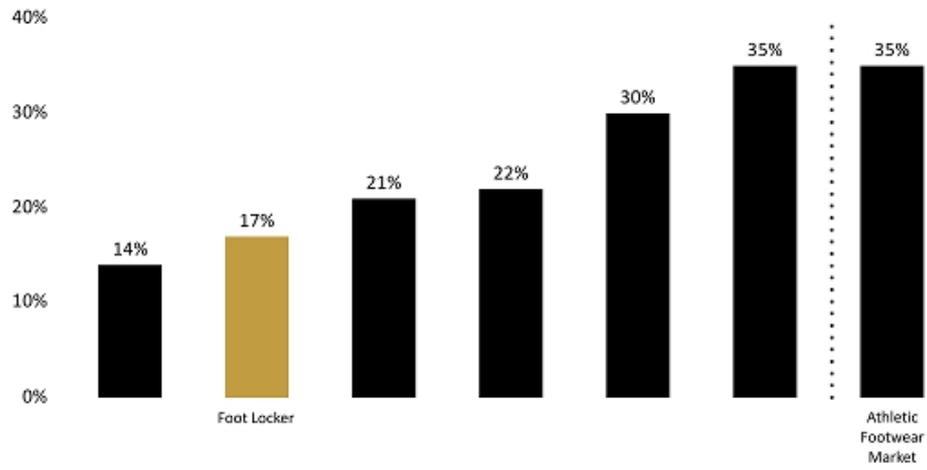


FOOT LOCKER, INC.

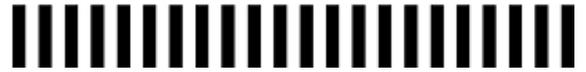
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# There is opportunity to increase our digital mix

E-COMMERCE % OF SALES  
FOOT LOCKER VS. RETAIL PEERS AND MARKET



FOOT LOCKER, INC.



Our channels work together to drive growth

80%

of digital sales are within 10 miles or less of a store

1.7X

more digital spend per person within 10 miles of a store

95%

of customers incorporate the digital channel into their purchase journey

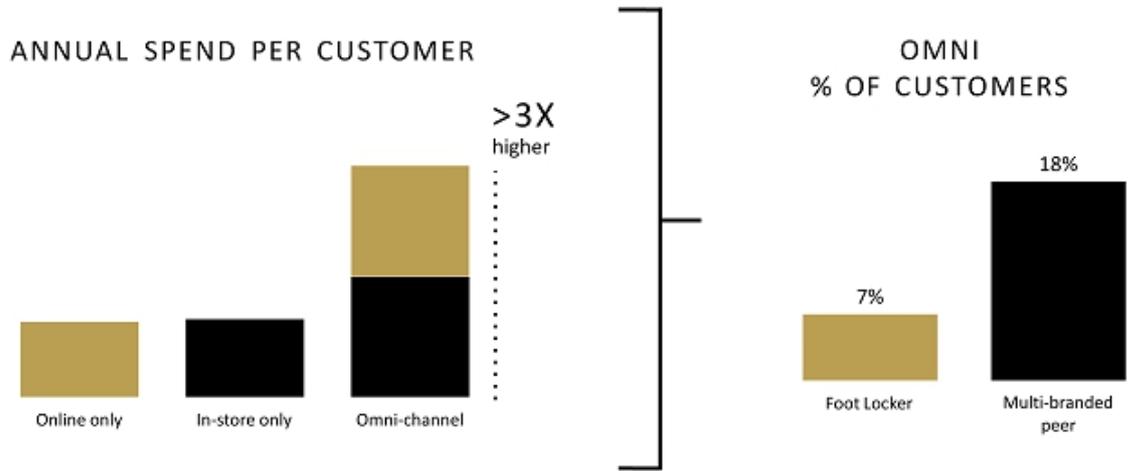
45%

of digital orders are aided by stores\*

\*North America only. Includes BOSS, BOPIS, S2S

FOOT LOCKER, INC.

# Omni channel customers spend more but are under penetrated

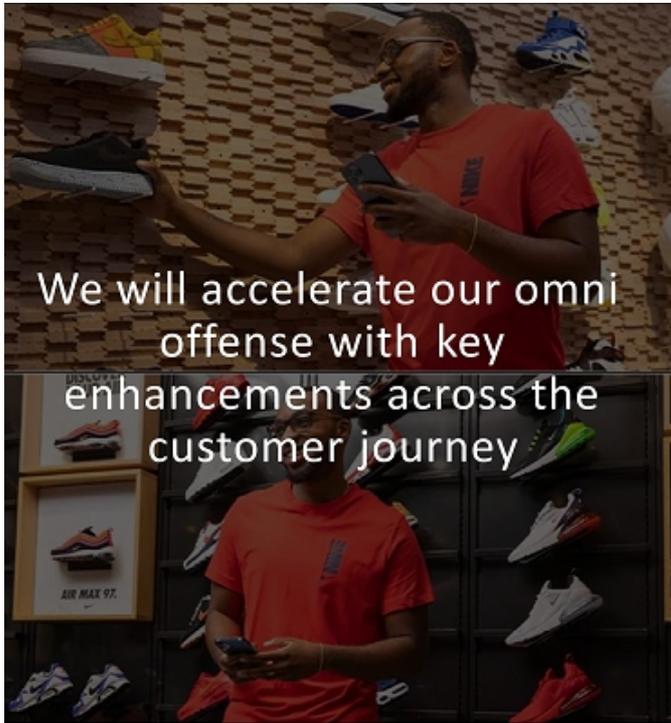


Note: Foot Locker US, Kids Foot Locker, Champs Sports US. Excludes Resellers and Employees  
Source: Foot Locker, Company Filings

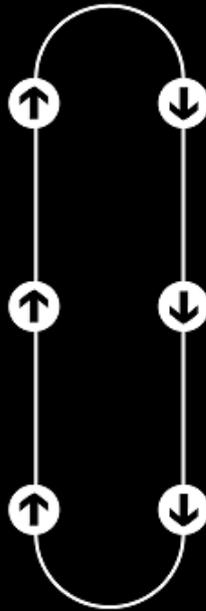


FOOT LOCKER, INC.





We will accelerate our omni  
offense with key  
enhancements across the  
customer journey



### PRE-PURCHASE

Drive discovery and engagement through a more personalized and dynamic pre-purchase experience

### PURCHASE

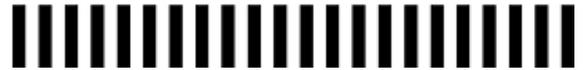
Deliver a seamless purchase experience that drives connectivity between channels

### POST-PURCHASE

Enhance the post purchase experience with a frictionless fulfillment process

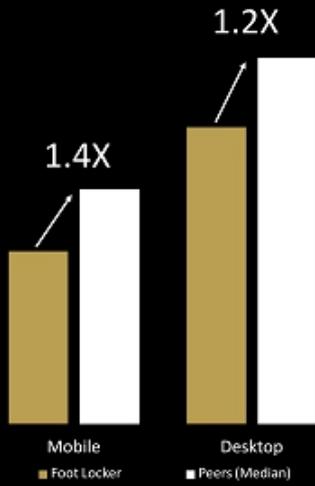


FOOT LOCKER, INC.



## OUR OPPORTUNITY TO IMPROVE DISCOVERY

TIME PER VISIT, MINUTES



## Drive discovery and engagement through a more dynamic and personalized experience

### SEARCH & NAVIGATION



A more predictive search algorithm coupled with seamless navigation

### CONTENT



Robust product storytelling with improved images, reviews and ratings

### PERSONALIZATION

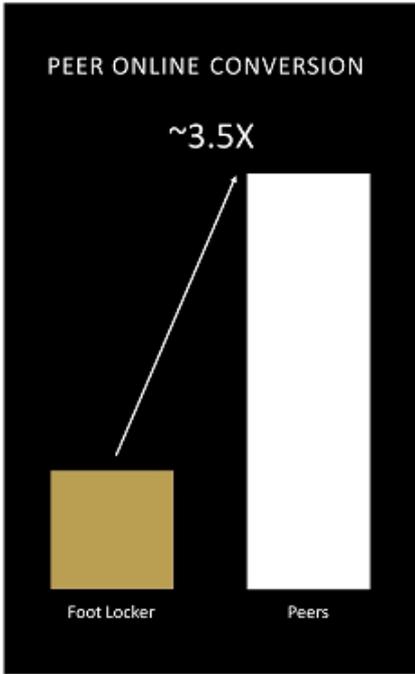


Dynamic product and content recommendations powered by AI



FOOT LOCKER, INC.





## Deliver a seamless purchase experience that drives connectivity between channels

### NEAR-REAL TIME INVENTORY



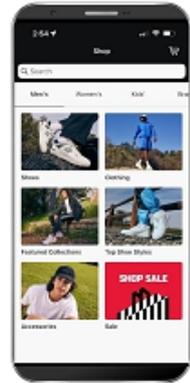
Provide a near-real time view of inventory by 2024

### IN-STORE CONNECTIVITY



Scale handhelds to 100% of stores in 2023 to drive inventory visibility across the network

### APP RELAUNCH

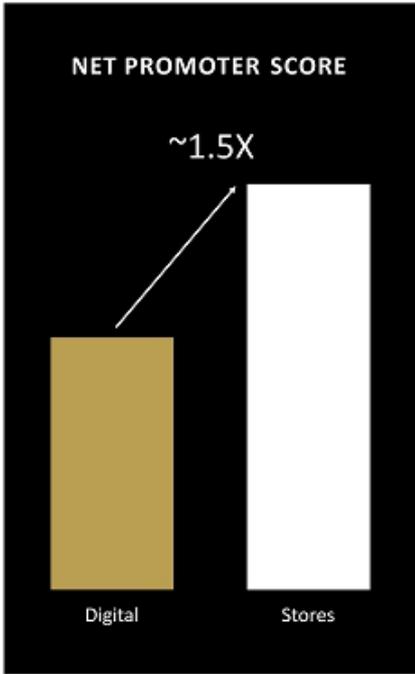


App relaunch in 2024 with a focus on 'energy, commerce and connectivity'



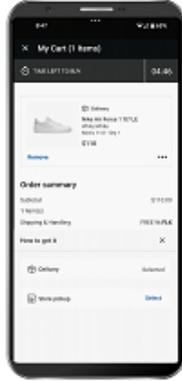
FOOT LOCKER, INC.





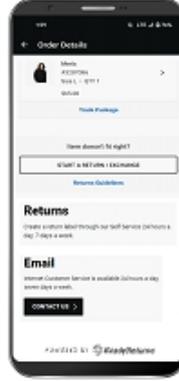
# Enhance the post purchase experience through frictionless fulfillment

## FLEXIBLE FULFILLMENT OPTIONS



Accelerate our global BOPIS rollout

## SEAMLESS RETURNS



Scaled seamless return capabilities

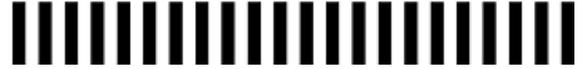
## ORDER TRANSPARENCY & COMMUNICATIONS



Easy to use messaging and self-service support

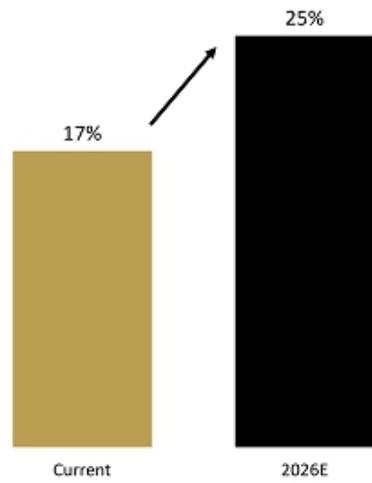


FOOT LOCKER, INC.

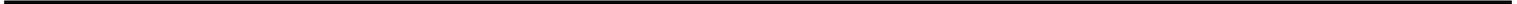


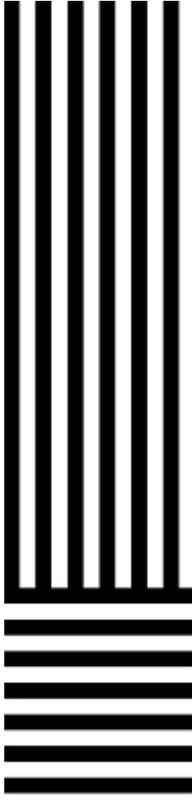


DIGITAL PENETRATION  
(% OF SALES)



FOOT LOCKER, INC.





# Elliott Rodgers

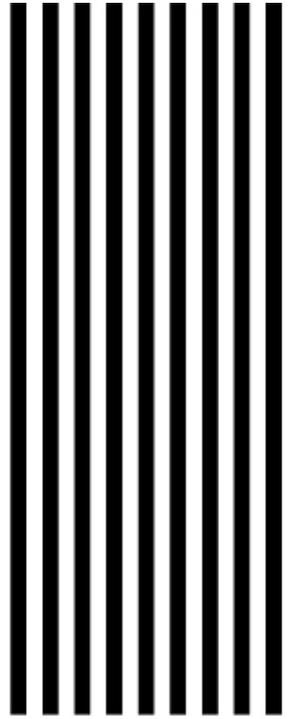
CHIEF OPERATIONS OFFICER

FOOT LOCKER, INC.

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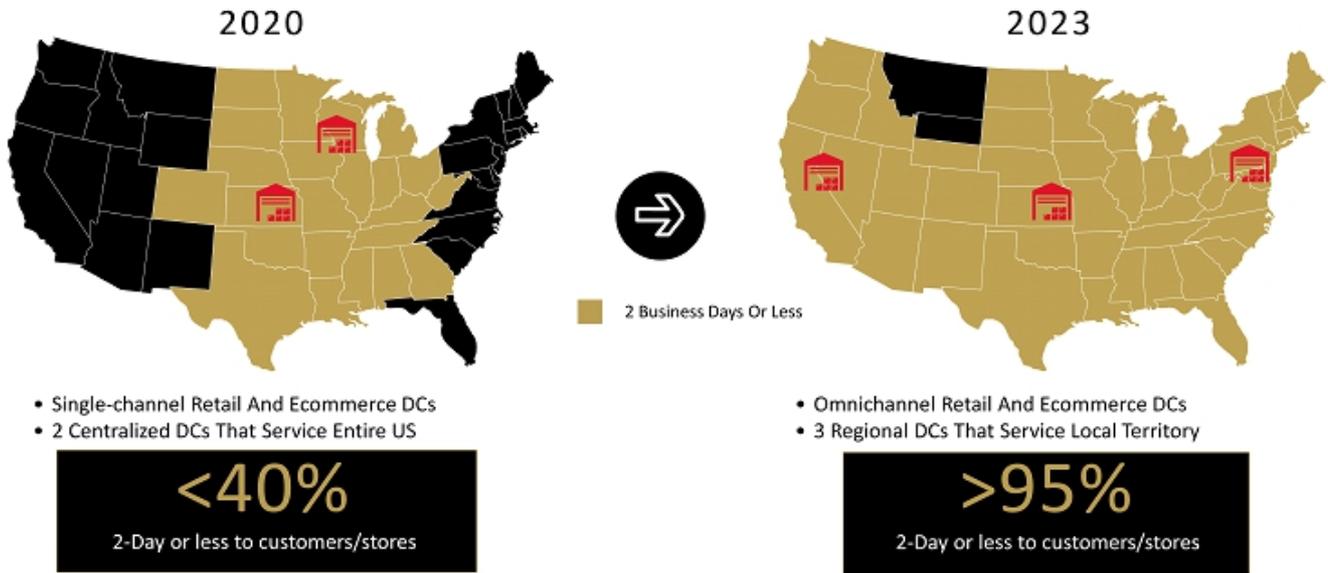
SUPPLY CHAIN AND  
**TECHNOLOGY**  
**ENABLERS**



FOOT LOCKER, INC.

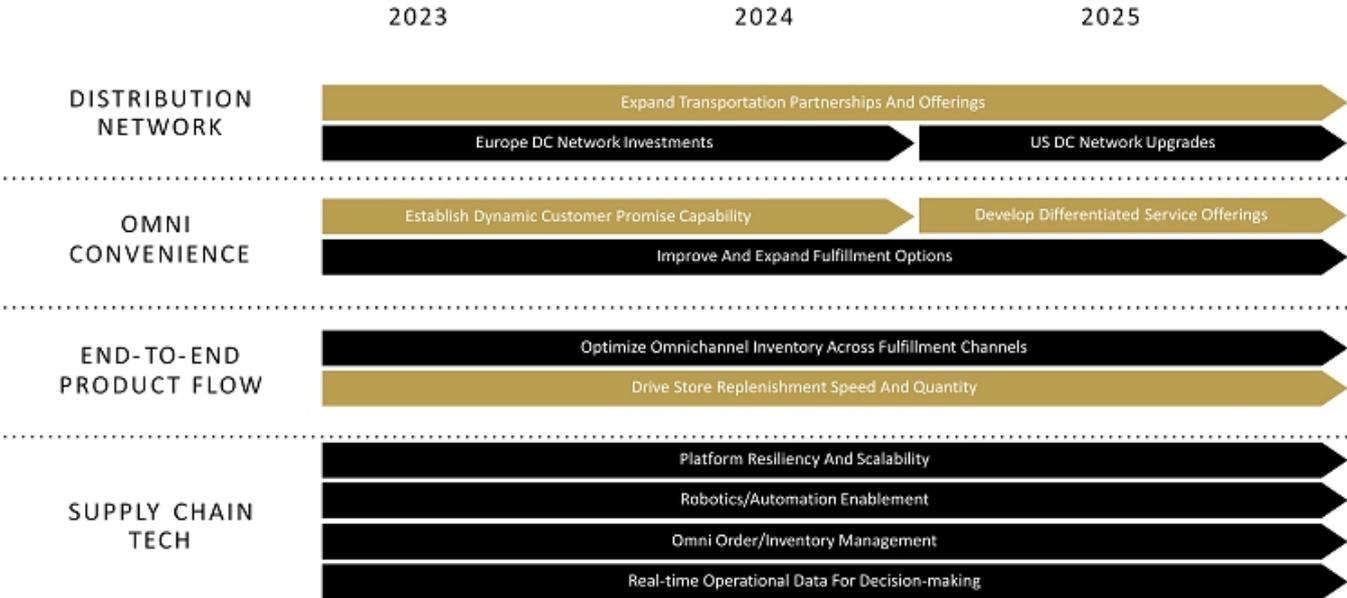
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# 2023 will deliver a significant improvement in our fulfillment capabilities



FOOT LOCKER, INC.

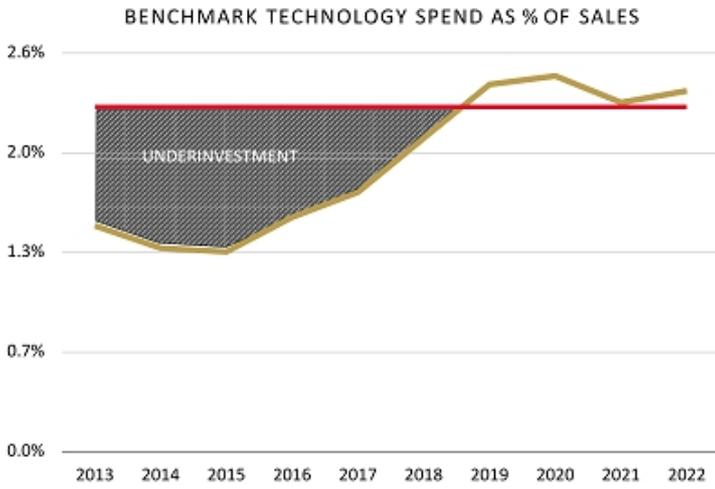
# We will continue to leverage our supply chain to drive growth



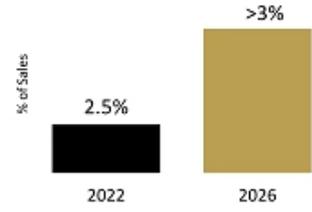
FOOT LOCKER, INC.

# An investment in our technology underpins our omni acceleration

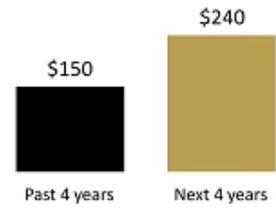
We have historically underinvested in technology



Tech Expense up by ~\$80M



Tech Capex\* up by >50%



\* includes capitalized IT expense

FOOT LOCKER, INC.

# We will create a more agile and modern platform

## CURRENT STATE OF TECH



## TARGET STATE



Complex Tech Architecture Strained By Legacy Platforms And Heavy Customization



Modern, Lightweight, Modular Cloud-first Solution Architecture, Future-proofed For Growth



Traditional Tech Operating Model With Longer Lead Times And Higher Cost To Deliver Capabilities



A Product-platform Operating Model With Agile Ways Of Working And Aligned To The Digital Strategy



Deficit In Digital Customer-facing Capabilities Compared To "Best-in-class" Experiences



Improved Digital, Data And Analytics Capabilities To Power Decision Making And Highly Personalized Customer Journeys



Custom-built Technical Solutions That Don't Leverage Market Leading Capabilities



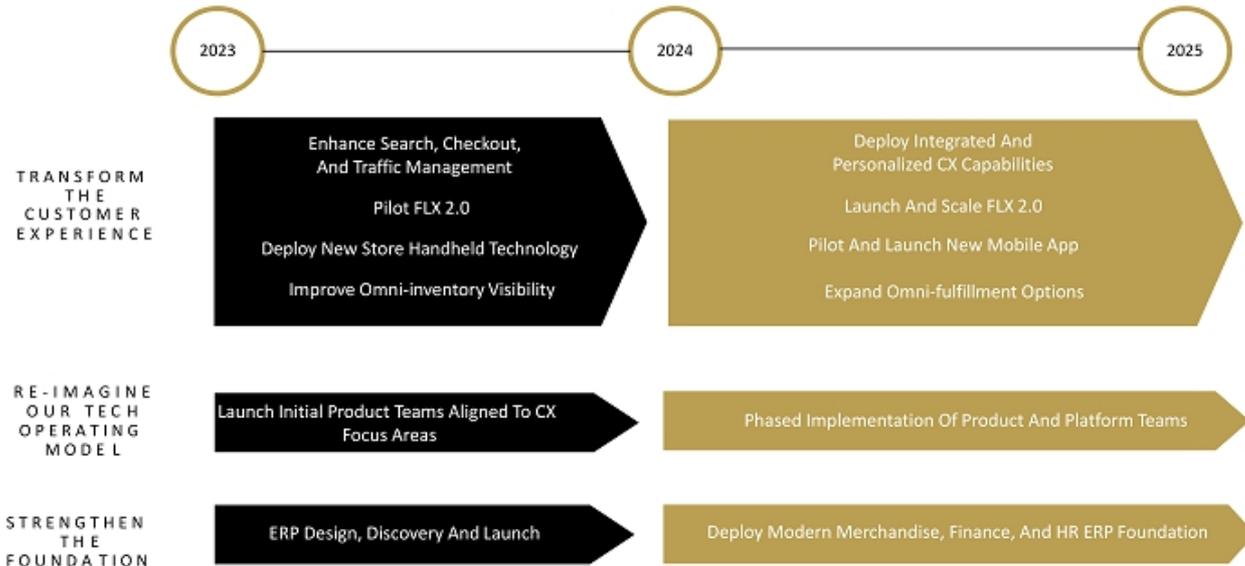
Strong Technology Core With Resilient Operations And Reduced Technical Debt – Increased Buy Vs. Build Approach



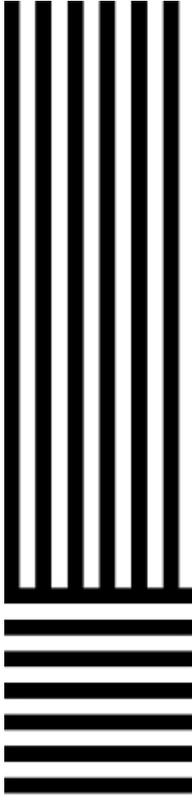
FOOT LOCKER, INC.

# A multi year plan to elevate our foundation and accelerate our digital capabilities

## INVESTMENT HIGHLIGHTS



FOOT LOCKER, INC.



# Robert Higginbotham

INTERIM CHIEF FINANCIAL OFFICER  
SVP, INVESTOR RELATIONS AND FP&A

FOOT LOCKER, INC.

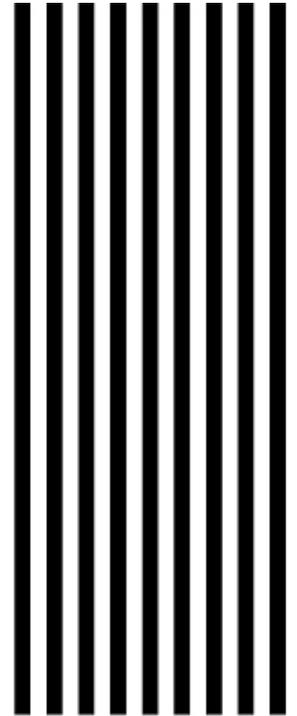
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CREATE VALUE FOR ALL



# STAKEHOLDERS

- Community
- Team Members
- Investors



FOOT LOCKER, INC.

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# Create value for our community

## ECONOMIC DEVELOPMENT



Investing in black-owned brands, creators, venture capital firms and suppliers across functions

**\$200M** Economic Commitment

**\$16M** Product Purchases

**\$21M** To Black Managed VC

## COMMUNITY EMPOWERMENT



Providing grants and scholarships to under-invested communities, opportunities and individuals

**\$2.2M** In Grants Awarded

**\$0.4M** Scholarships

**30** Bridge Interns

## COMMUNITY GIVING



Recurring donations and employee volunteering to charitable organizations

**25** youth programs funded

**11K** new pairs of sneakers donated



FOOT LOCKER, INC.

# Create value for our team members

## EMPOWERING OUR PEOPLE

- Providing Mobility Through Multiple Avenues
- Committed To Promoting People From Within
- Offering Flexibility To Move From Store To Corporate
- Dedicated To Creating A Culture Of Diversity

## IGNITE TRANSFORMING HOW WE WORK

- Holistic And Integrated Ambition Across Growth, Cost Efficiency, Technology Infrastructure And Organizational Health
- Deep Organizational Engagement Across All Areas And Functions
- Create New Ways Of Working And Build New Capabilities For Sustainable Impact

~3,500

promotions  
in the field

>90%

promotions  
that were POC

30

bridge  
interns



550+

members engaged in the  
transformation effort



3,500+

hours of training in  
transformation capability  
building

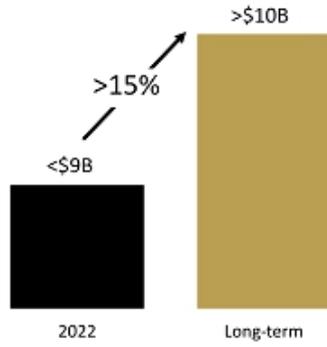


FOOT LOCKER, INC.

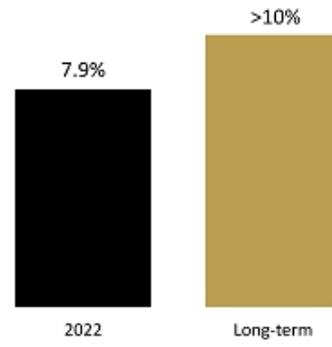
# Create value for our investors

LONG-TERM FINANCIAL VISION

\$10B+ and growing revenue...



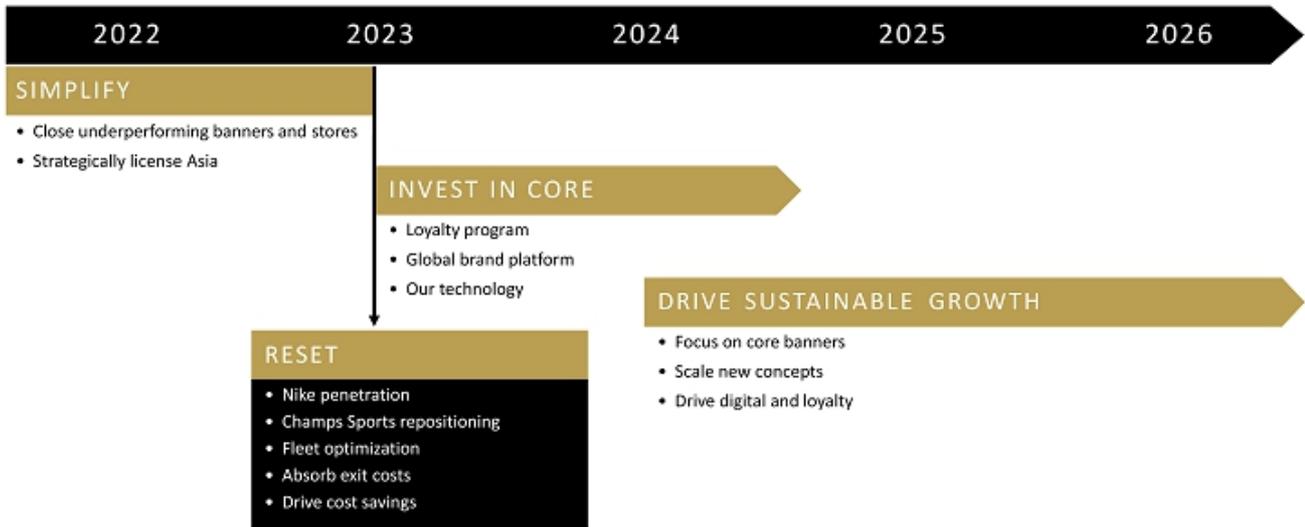
...with over 10% EBIT margin



FOOT LOCKER, INC.

# Our path to get there

TRANSFORM TO GROW



FOOT LOCKER, INC.

## Simplifying our international operations in Europe

### SIDESTEP

Winding Down Sidestep  
Banner In Europe

~70

Stores Closing

~10

Stores Converting To Foot Locker  
Process Expected To Be Completed  
By ~Mid-year 2023

### BENEFITS

- Sharpen Focus On Foot Locker Brand In Region
- Simplifies Our Overall Operations
- Reduced Losses/Margin Accretive

### FINANCIAL IMPACT

~\$100M

Top-line Reduction

>10BPS

Company EBIT Margin

~\$10M

Eliminated From Annual Loss

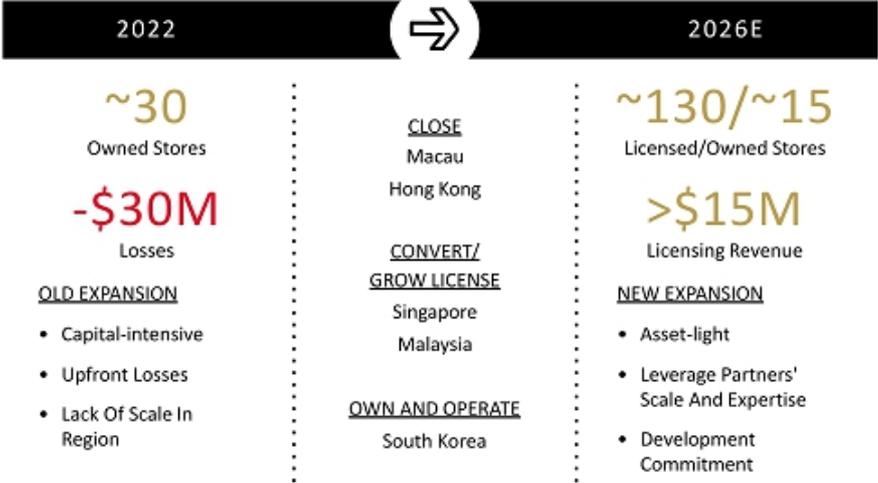
~\$25M

In Exit Costs

FOOT LOCKER, INC.

# Simplifying our international operations in Asia

## STRENGTHENING ASIA BUSINESS MODEL



## WITH A PROVEN, TRUSTED PARTNER

>3,400  
Retail Locations

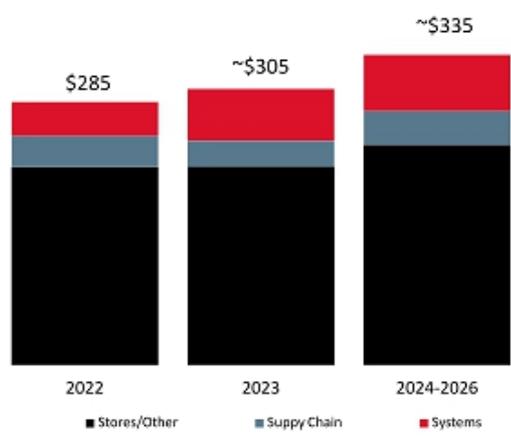
>150  
Brands

Leading Retailer And Distributor In Region  
Across Sports, Fashion, Food And  
Beverage And Lifestyle Products

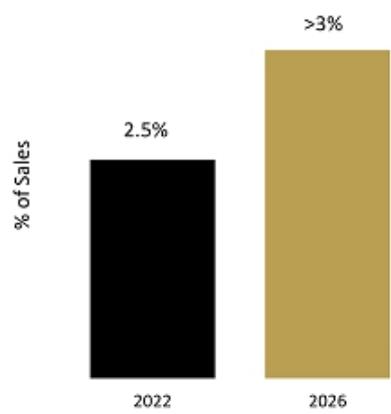


# Accelerating investments to drive growth

Annual Adj. Capex to increase by >\$50M\*



Technology Expense up by ~\$80M



\* Adjusted Capex includes capitalized Technology expense



# Cost savings as fuel for investment



FUELING OUR GROWTH BY CHANGING THE WAY WE WORK

<b>ORIGINAL TARGET</b>	<b>+</b>	<b>NEW SAVINGS</b>	<b>=</b>	<b>NEW TARGET</b>
<b>\$200M</b>		<b>\$150M</b>		<b>\$350M</b>
<u>SG&amp;A</u>		<u>Merch. Margin (~50%)</u>		<u>\$200M</u>
Corporate Overhead		Price Optimization		To The Bottom Line
Store Operations		Supply Chain Optimization		and
Procurement		<u>Occupancy (~50%)</u>		<b>\$150M</b>
		Bulk Lease Negotiation		To Fuel Investments

**TIMING**    2022: ~10%    2023: ~40%    2024/2025: ~50%



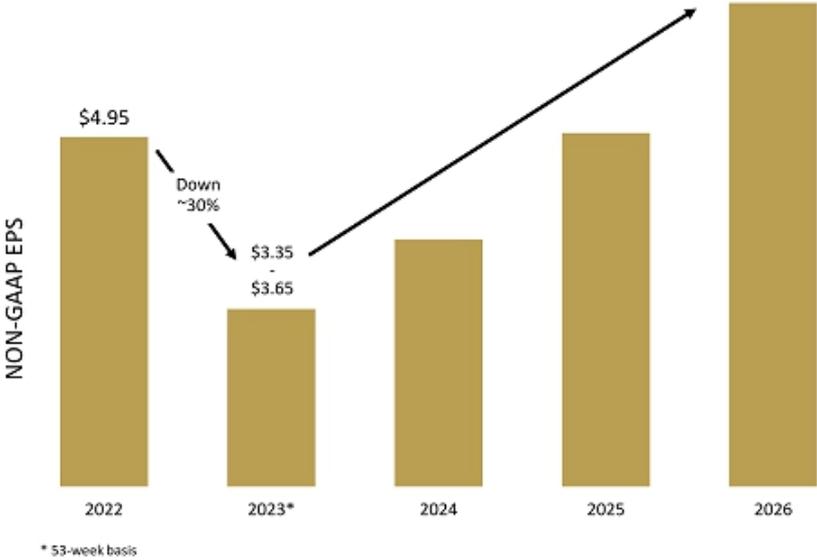
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RESET

# 2023 a reset year

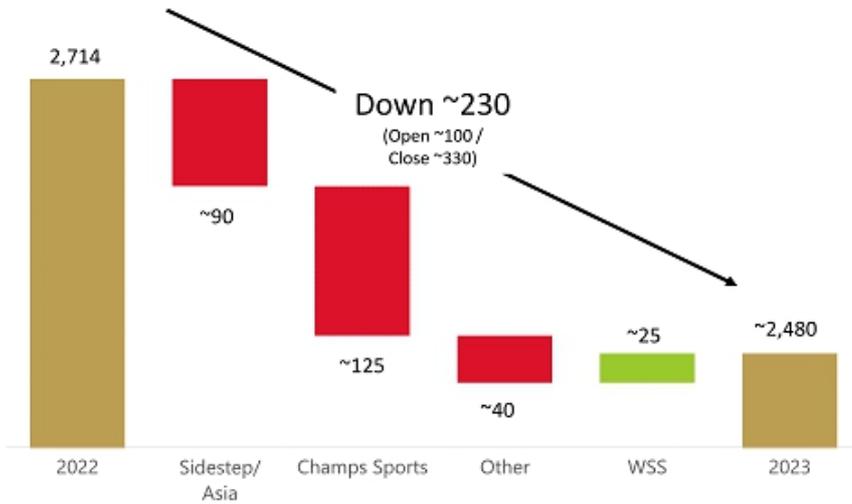
- Nike penetration
- Champs Sports repositioning
- Fleet optimization
- Absorb exit costs
- Increase tech investments
- Drive cost savings



FOOT LOCKER, INC.

# 2023 sales reset

## STORE COUNT



RESET

Stores	+	Average store size
-9%		+5%
Footage		
-4%		
+		
Comps		
-3.5% to -5.5%		
Sales		
-4.5% to -6.5% (52-week)		
-3.5% to -5.5% (53-week)		



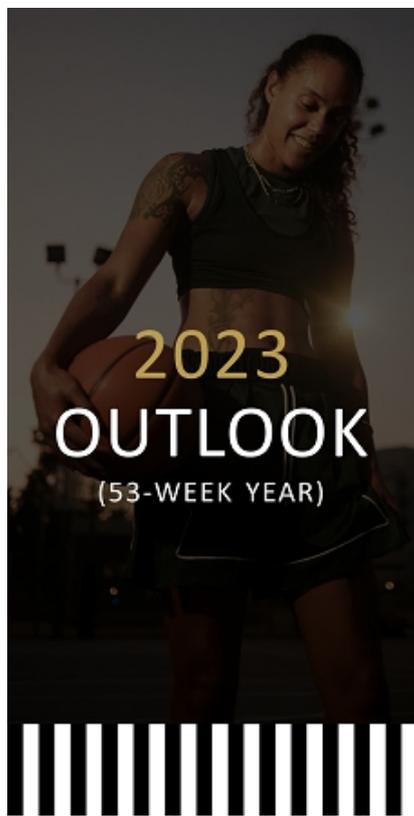
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# 2023 EBIT margins down as near-term pressures offset cost saves

2022-2023 EBIT MARGIN BRIDGE  
(MID-POINT OF GUIDANCE)



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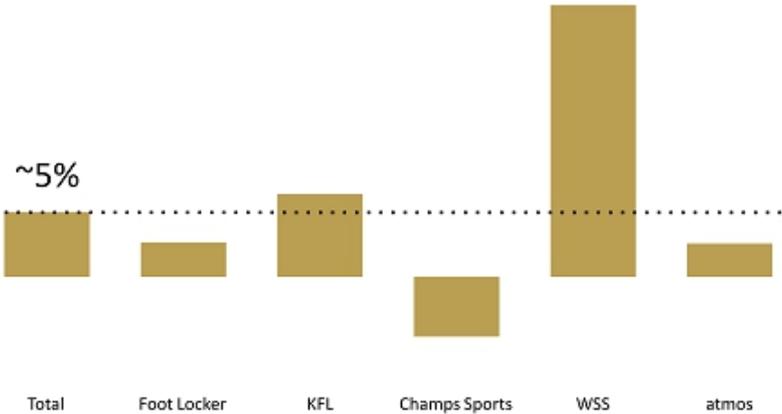


	Outlook	Commentary
Total Sales	Down 3.5% to 5.5%	Inc. ~1% from the extra week
Comp Sales	Down 3.5% to 5.5%	Down mid- to high-singles in first half Down low-single digits in second half
Store Count	Down ~9%	Champs Sports rationalization, Sidestep and Asia closures
Square Footage	Down ~4%	Average box size increasing
Licensing Revenue	~\$20 million	EMEA + Asia
Gross Margin	30.8% to 31.0%	Promotional pressure early in year + Occupancy deleverage
SG&A Rate	22.6% to 22.8%	Cost savings offset by investments and expense deleverage
D&A	~\$205 million	
Net Interest	~\$12 million	
Tax Rate (Non-GAAP)	31.5% to 31.7%	
Non-GAAP EPS	\$3.35-\$3.65	Inc. \$0.15 from the extra week
Capital Expenditures	~\$305 million	Inc. capitalized Tech. expense

FOOT LOCKER, INC.

# 2024-2026 sales growth

FOOTAGE CAGR



GROWTH

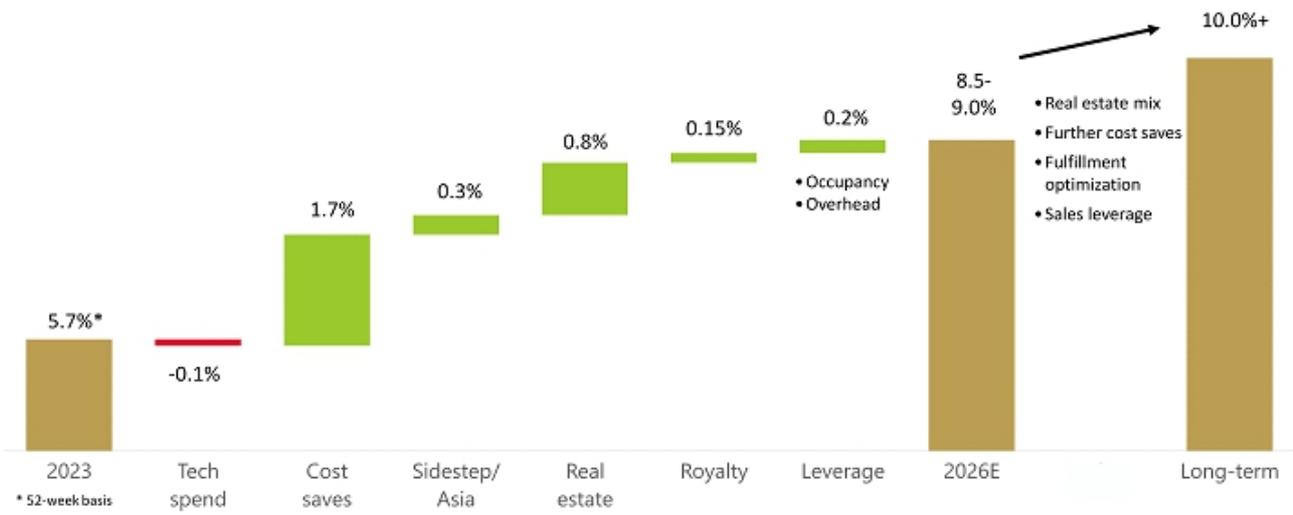
Stores <b>-1%</b>	<b>+</b>	Average store size <b>+6%</b>
Footage <b>~5%</b>	<b>@</b>	~50% Average sales per foot
<b>+</b>		
Comps <b>+3-4%</b>		
Sales <b>+5-6%*</b>		

\* From a 52-week 2023



FOOT LOCKER, INC.

# Path to 8.5-9% EBIT margin and beyond



FOOT LOCKER, INC.

# CAPITAL ALLOCATION

## WE ARE ESTABLISHING A MORE EXPLICIT AND DISCIPLINED CAPITAL ALLOCATION FRAMEWORK

### Focus On Organic Growth

- Invest In Stores, Digital, Supply Chain And Technology Capabilities To Grow The Business
- Less Focus On M&A (Outside Of Capabilities)
- Less Focus On Minority Investments

### Growing Dividend

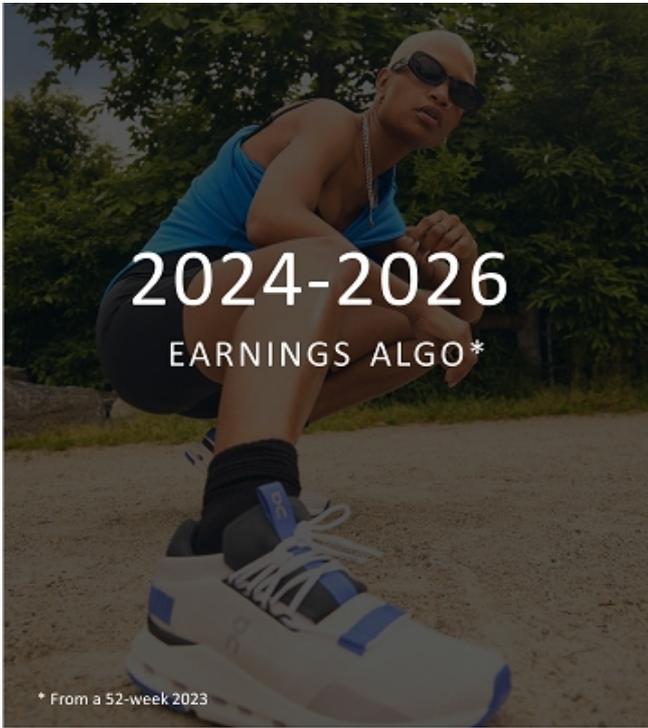
- Stable, Growing Dividend That Targets ~30-35% Payout

### Consistent Share Repurchase

- Excess Free Cash Flow Directed To Buybacks
- Targeting ~LSD Lift To EPS From Buybacks Beyond 2023

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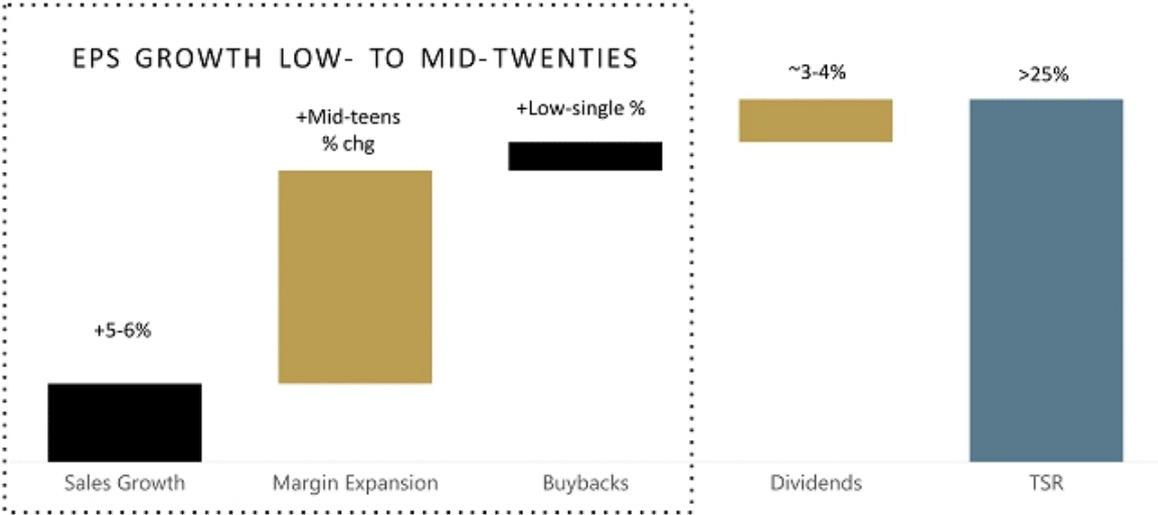


SALES GROWTH	+5-6%
COMP GROWTH	3-4%
SQUARE FOOTAGE GROWTH	~5%
LICENSING REVENUE	~\$30M
EBIT MARGIN	8.5-9%
<hr/>	
EBIT GROWTH	High-teens to Low-twenties
SHARE BUYBACKS	Low single digits
<hr/>	
EPS GROWTH	Low- to mid-twenties



FOOT LOCKER, INC.

# Roadmap to >25%+ total shareholder return



FOOT LOCKER, INC.

## Our targets and long-term aspirations

### FROM

### WE WILL

### LONG-TERM

~\$8.5B of revenue

SIMPLIFY / INVEST / GROW

>\$10B of revenue

15% exclusive  
>70% Nike

EXPAND SNEAKER CULTURE

>25% exclusive  
>40% non-Nike vendors

30% off-mall in NA  
8% in new formats

POWER UP THE PORTFOLIO

>50% off-mall in NA  
>20% in new formats

25% sales from loyalty

DEEPEN OUR RELATIONSHIP  
WITH CUSTOMERS

>70% sales from loyalty

17% eCommerce

BE BEST IN CLASS OMNI

>25% eCommerce

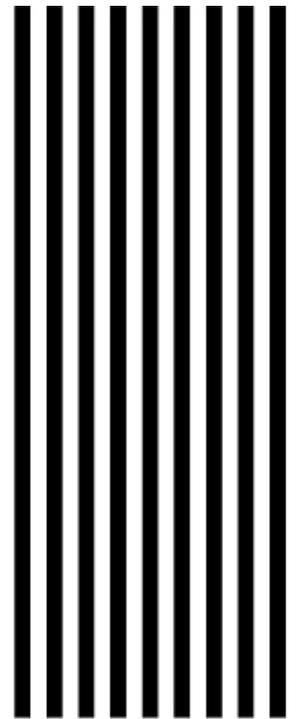
<7% EBIT margin  
<10% ROIC

CREATE VALUE FOR  
ALL STAKEHOLDERS

>10% EBIT margin  
Low to Mid-Teens ROIC

FOOT LOCKER, INC.

# ⇒ Closing



FOOT LOCKER, INC.

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# FOOT LOCKER VISION

Foot Locker Unlocks The  
“Inner Sneakerhead” In All Of Us –  
Sparking Discovery And Igniting The  
Power Of Sneaker Culture.



Customers  
‘All Things Sneakers’



Team Members  
Career Opportunities



Communities  
Investment and Engagement



Brand Partners  
Sustained Growth



Investors  
Attractive & Consistent Returns

FOOT LOCKER, INC.



THANK YOU

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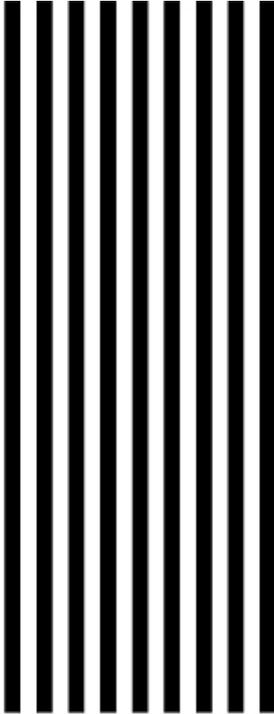
➔ **BREAK**

5 MINUTES

FOOT LOCKER, INC.

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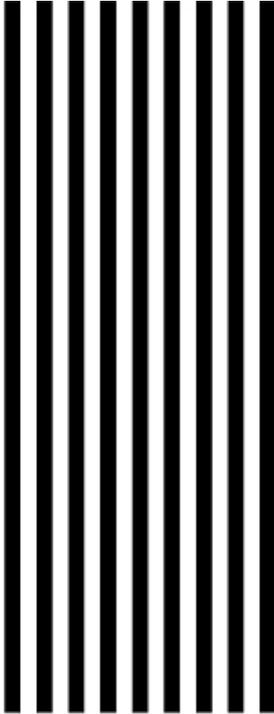
⇒ Q&A



FOOT LOCKER, INC.

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# ⇒ APPENDIX



FOOT LOCKER, INC.

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## GAAP to Non-GAAP Reconciliations

	Fourth Quarter		Year-to-Date	
	2022	2021 <sup>(1)</sup>	2022	2021 <sup>(1)</sup>
<b>Pre-tax income:</b>				
Income from continuing operations before income taxes	\$ 48	\$ 147	\$ 524	\$ 1,240
Pre-tax adjustments excluded from GAAP:				
Impairment and other <sup>(2)</sup>	74	75	112	172
Other income / (expense), net <sup>(3)</sup>	9	(30)	41	(377)
Adjusted income from continuing operations before income taxes (non-GAAP)	\$ 131	\$ 192	\$ 677	\$ 1,035
<b>After-tax income:</b>				
Net income attributable to Foot Locker, Inc.	\$ 19	\$ 103	\$ 342	\$ 893
After-tax adjustments excluded from GAAP:				
Impairment and other, net of income tax benefit of \$11, \$18, \$21, and \$42, respectively <sup>(2)</sup>	63	57	91	130
Other income / (expense), net of income tax benefit/(expense) of \$2, \$(8), \$9, and \$(99), respectively <sup>(3)</sup>	7	(22)	32	(278)
Net loss from discontinued operations, net of income tax benefit of \$1, \$-, \$1, and \$-, respectively <sup>(4)</sup>	3	—	3	—
Tax reserves charge <sup>(5)</sup>	—	—	5	—
Tax benefits related to tax law rate changes <sup>(6)</sup>	—	(1)	—	(1)
Tax charge related to revaluation of certain intellectual property rights <sup>(7)</sup>	—	11	—	11
Adjusted net income (non-GAAP)	\$ 92	\$ 148	\$ 473	\$ 755

FOOT LOCKER, INC.

## GAAP to Non-GAAP Reconciliations (cont.)

	Fourth Quarter		Year-to-Date	
	2022	2021 <sup>(1)</sup>	2022	2021 <sup>(1)</sup>
<b>Earnings per share:</b>				
Diluted earnings per share from continuing operations attributable to Foot Locker, Inc.	\$ 0.24	\$ 1.02	\$ 3.62	\$ 8.61
<b>Diluted EPS amounts excluded from GAAP:</b>				
Impairment and other <sup>(2)</sup>	0.66	0.57	0.95	1.24
Other income / (expense), net <sup>(3)</sup>	0.07	(0.23)	0.33	(2.68)
Tax reserves charge <sup>(5)</sup>	—	—	0.05	—
Tax benefits related to tax law rate changes <sup>(6)</sup>	—	(0.01)	—	(0.01)
Tax charge related to revaluation of certain intellectual property rights <sup>(7)</sup>	—	0.11	—	0.11
Adjusted diluted earnings per share (non-GAAP)	\$ 0.97	\$ 1.46	\$ 4.95	\$ 7.27

The notes to the non-GAAP reconciliation tables are contained in the full text of this morning's press release. Additionally, the Company provides earnings guidance only on a non-GAAP basis and does not provide a reconciliation of the Company's forward-looking guidance to the most directly comparable GAAP financial measures because of the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliations.

FOOT LOCKER, INC.