

Fourth Quarter 2021 Earnings Results

February 25, 2022

Foot Locker

Kids Foot Locker

CHAMPS
SPORTS

EASTBAY

atmos

WSS
Shoes, Bags, Accessories

SIDESTEP



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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.



OUR PURPOSE
TO INSPIRE AND EMPOWER
YOUTH CULTURE

OUR MISSION:

To fuel a shared passion for self-expression

OUR VISION:

To create unrivaled experiences for our consumers

OUR POSITION:

To be at the heart of the sport and sneaker communities

Comp sales

+0.8%

Non-Nike comp sales

increased

>30%

increase in Apparel and
Accessories sales

+30%

Merchandise margin

+100 bps

GAAP EPS

\$1.02

Non-GAAP EPS

\$1.67

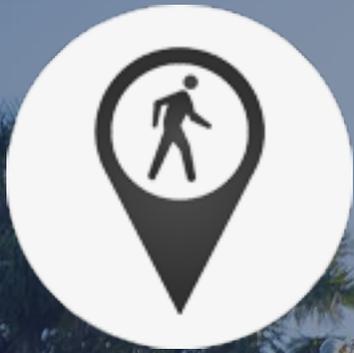
increase in inventory

Well positioned for 1Q

+37% vs. 2020

+5% vs. 2019





Store Traffic

~25%



ASP

Down high-singles



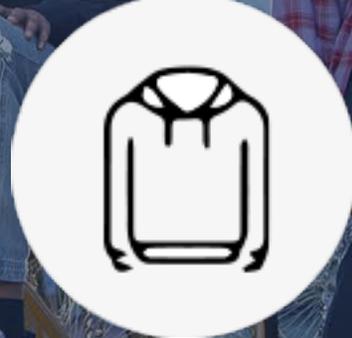
Units

Up high-singles



Footwear

Down mid-singles



Apparel

Up ~30%



Accessories

Up >35%

NOVEMBER

Up high-teens

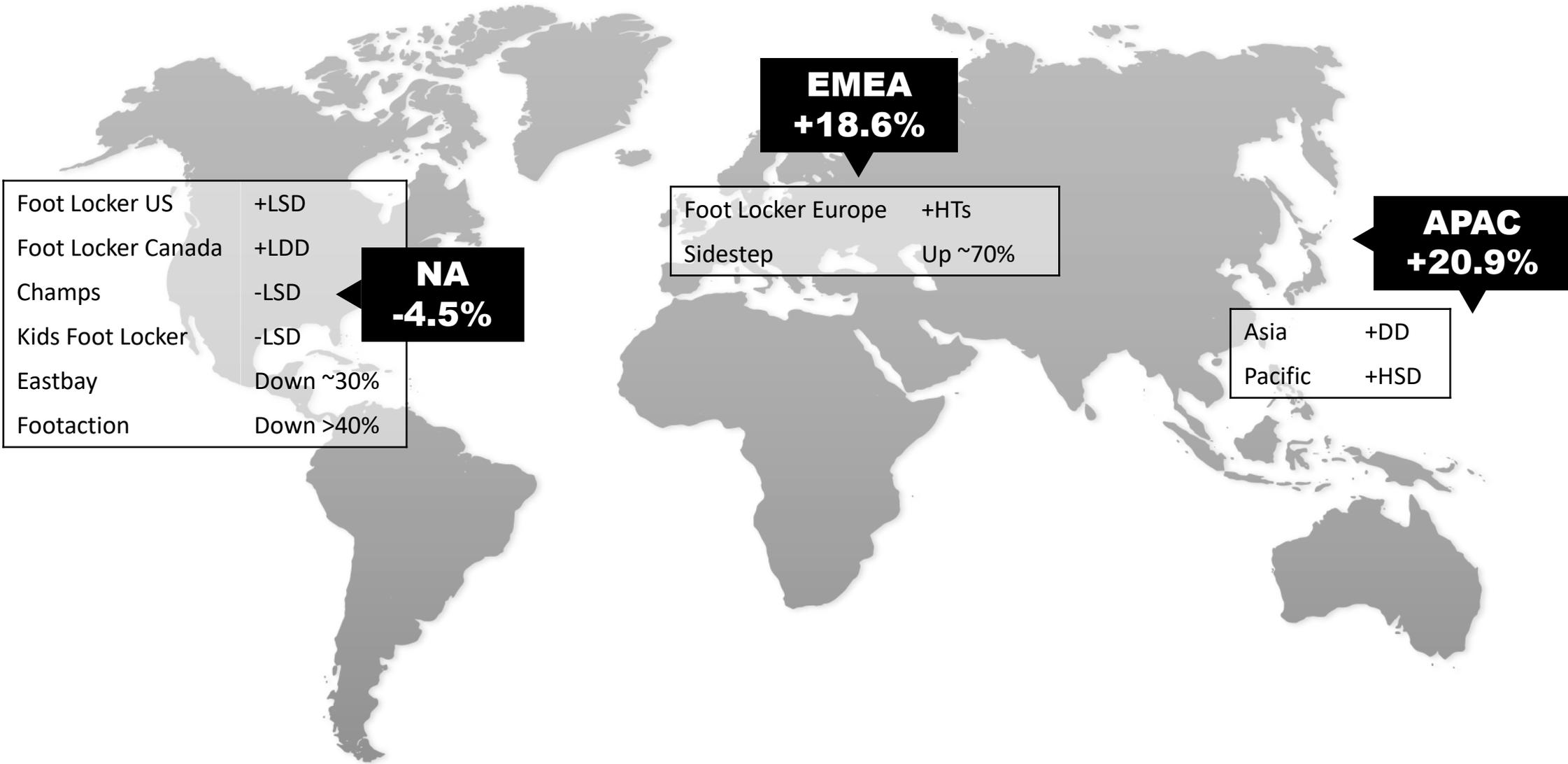
DECEMBER

Down high-singles

JANUARY

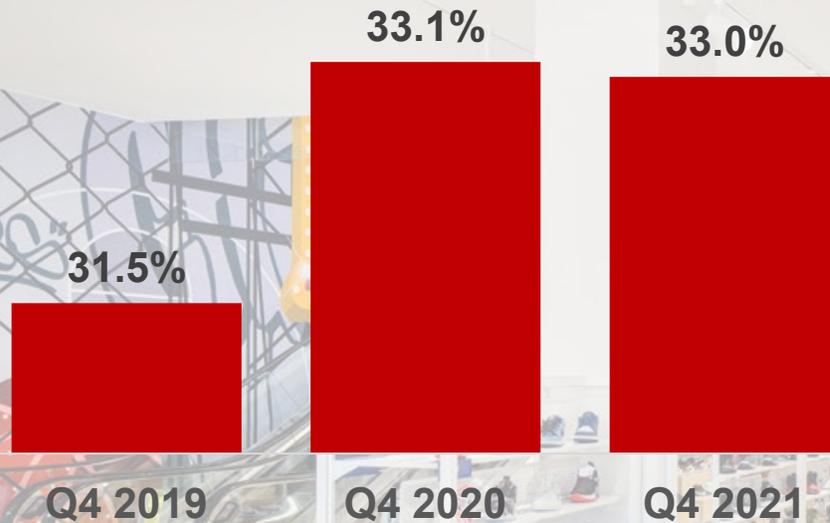
Flattish

	OVERALL	FOOTWEAR	APPAREL
MENS	Down low-singles	Down low-teens	Up ~30%
WOMENS	Up >20%	Up >20%	Up >40%
KIDS	Down low-singles	Down low-singles	Up >20%



GROSS MARGIN

(% of sales)



Down 10 bps vs. last year

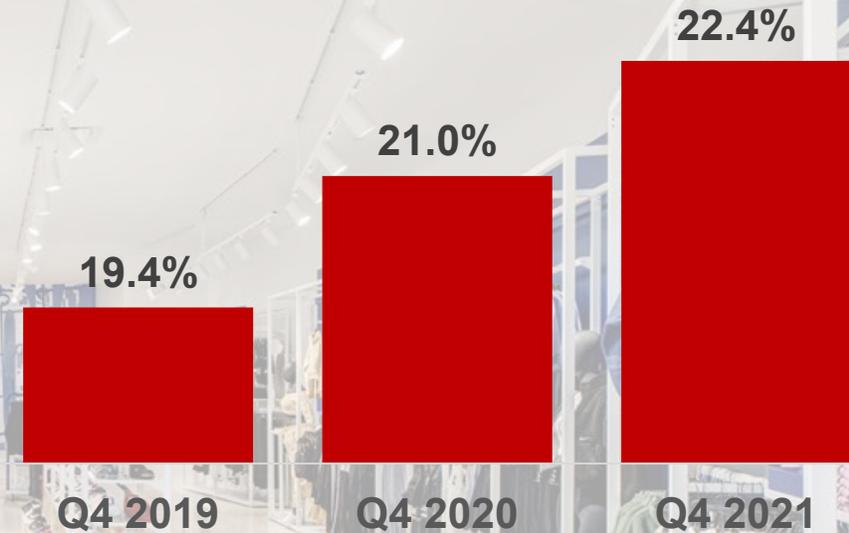
Up 160 bps vs. 2019

Key Drivers

- Merchandise margin +100 bps on lower promotional activity
- Occupancy deleveraged by 110 bps against elevated rent abatements in 2020

SG&A EXPENSES

(%) of sales



Up 140 bps vs. last year

Up 300 bps vs. 2019

Key Drivers of deleverage

- Labor costs
- Marketing
- Technology spend

WSS + ATMOS ACCELERATING GROWTH

Sales Growth Profile*

~20%

Gross Margin

32-33%

EBIT Margin

11-14%

EBIT \$ CAGR *

~40%

• CAGR fiscal 2022 through fiscal 2024



Shoes. Style. Selection.®

- Growing revenue from ~\$650M in 2022 to ~\$1Bn by 2024
- Doubling the store fleet to serve growing Hispanic population
- 100% off-mall Real Estate strategy drives occupancy leverage

Sales Growth Profile*

~15%

Gross Margin

32-33%

EBIT Margin

16-18%

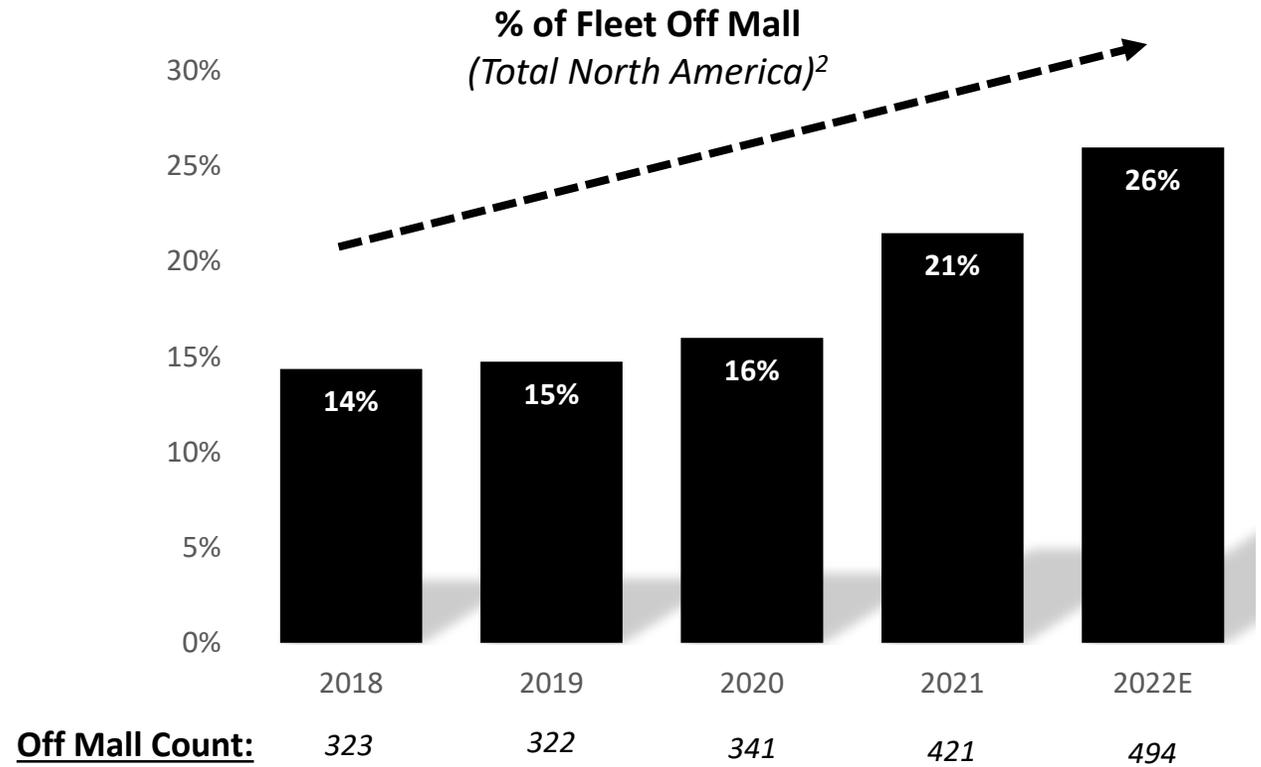
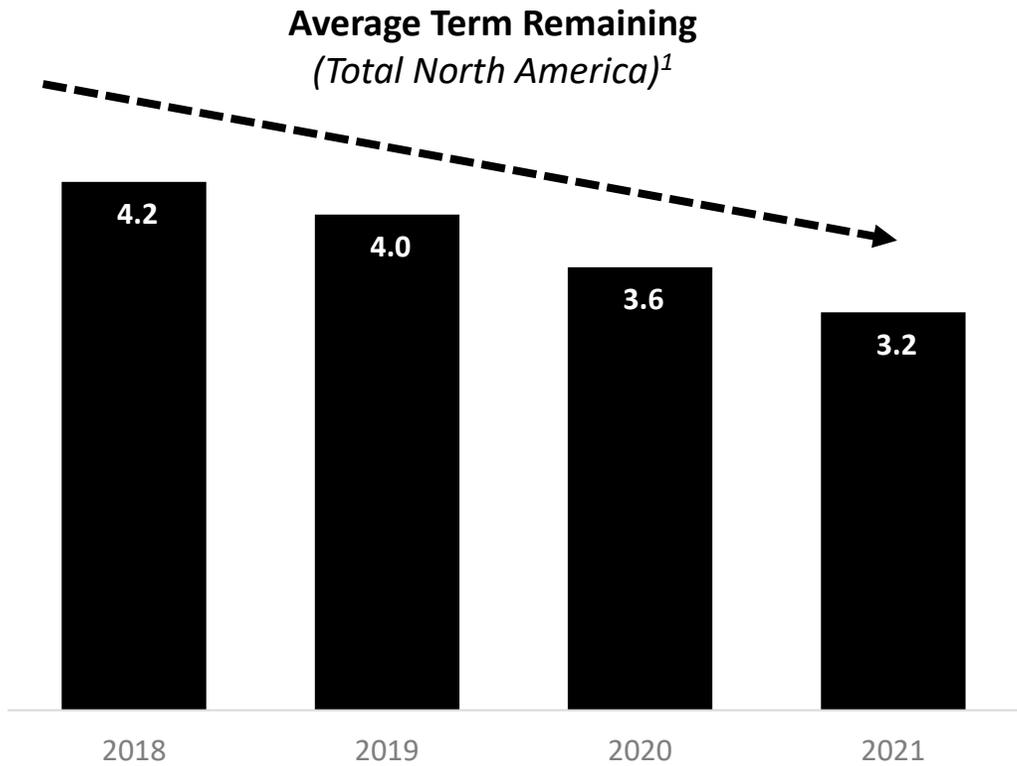
EBIT \$ CAGR *

~20%

atmos

- Growing revenue from ~\$220M in 2022 to ~\$300M by 2024
- Establishes footprint in critical Japanese sneaker market
- Digitally led, globally recognized controlled brand

REAL ESTATE FLEXIBILITY AND GROWING OFF-MALL MIX



(1) Excludes atmos & WSS

(2) includes atmos & WSS since acquisition

2022 FINANCIAL OUTLOOK

Sales Change	Down 4% to 6%
Comp Sales	Down 8% to 10%
Sq. Ft. Growth	Down 1% to 2%
Gross Margin	30.1% to 30.3%
SG&A Rate	20.2% to 20.4%
D&A	~\$210 million
Interest	~\$22 million
Tax Rate	~28.7%
Non-GAAP EPS	\$4.25 to \$4.60
Capex	Up to \$275 million

