



Academy
SPORTS+OUTDOORS

Consumer Staples

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NASDAQ: ASO

Academy

SPORTS+OUTDOORS



Executive Overview





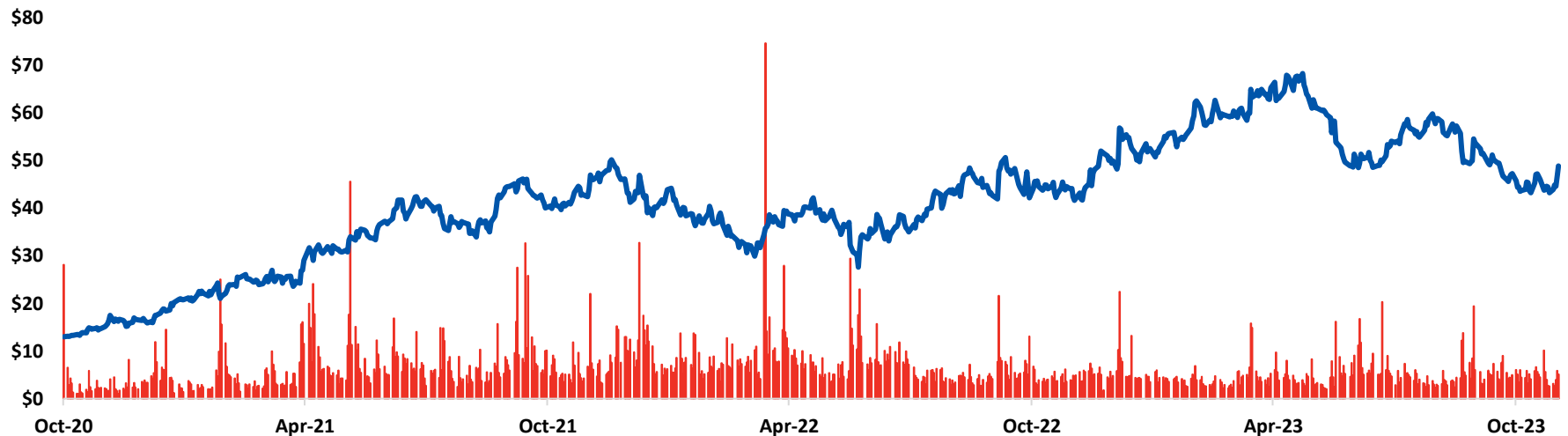
A Great Retailer at a Cheap Price



Market Cap	\$3.64B
Enterprise Value	\$5.09B
Last Close	\$48.84
52 Week Range	\$40.67-69.02
Debt/EBITDA	1.4x
P/E	6.93x
EV/EBITDA	4.61x

Investment Thesis

1. Overreactions to industry headwinds such as increased shrink and lower demand have caused ASO stock to fall ~30% in the past 6 months, leading to an attractive valuation.
2. Ongoing investments in supply chain efficiencies, as well as reaching economies of scale, will improve ASO margins.
3. An aggressive expansion plan centered around new store growth will drive top-line sales to \$10 billion by 2027.
4. Despite industry-leading margins and store productivity, ASO trades at a relatively cheap multiple.





Company Overview



75
ing Accessories
atfish

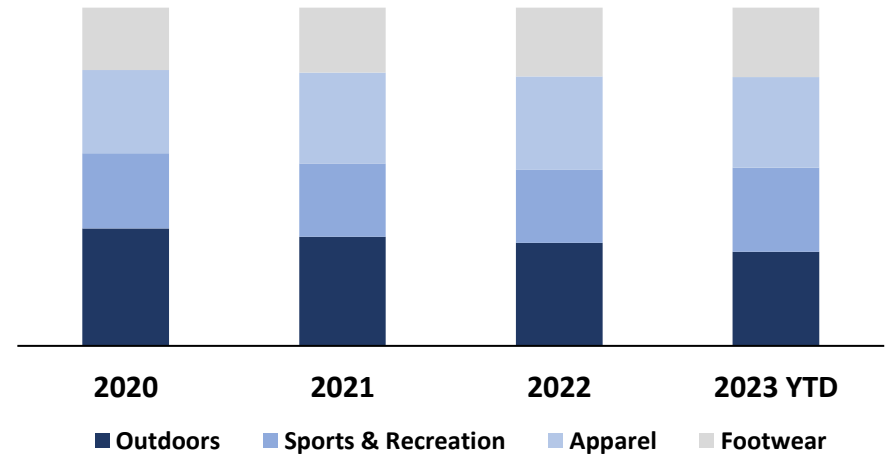


Academy Introduction

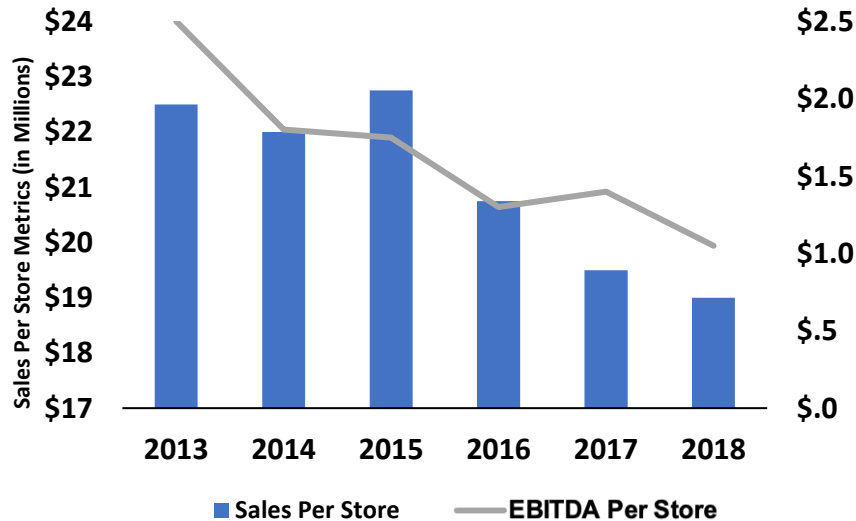
Academy Product Offerings¹



Net Sales By Product Category²



The Business Was “Stuck” From 2013-2018¹



But was Turned Around from Goals Delivering Early

5% increase in fiscal year gross margin from structural improvements to margins



10% increase in fiscal year income before taxes from focusing on fundamentals



5% increase in Ecommerce Penetration from Increased Sales of Academy.com



(1) 2023 Investor Day Presentation (2) BamSEC



 Academy
SPORTS+OUTDOORS

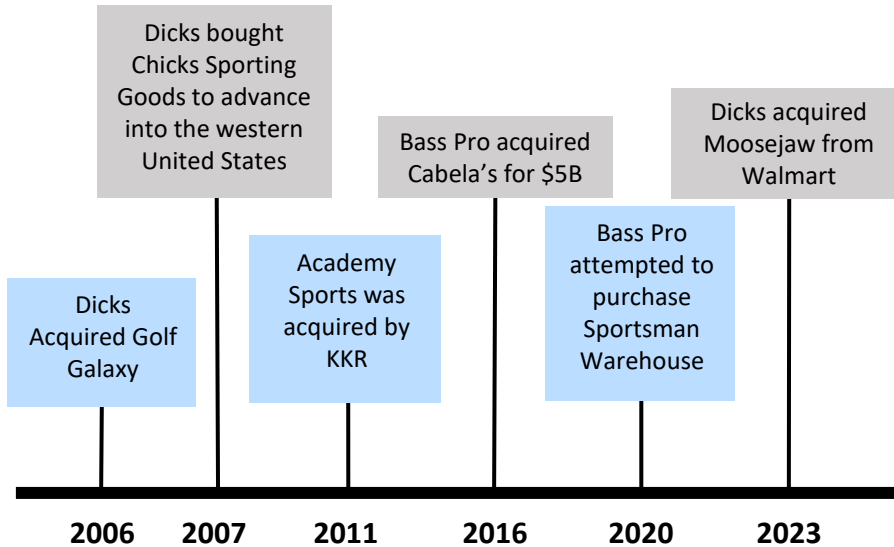
Industry Overview



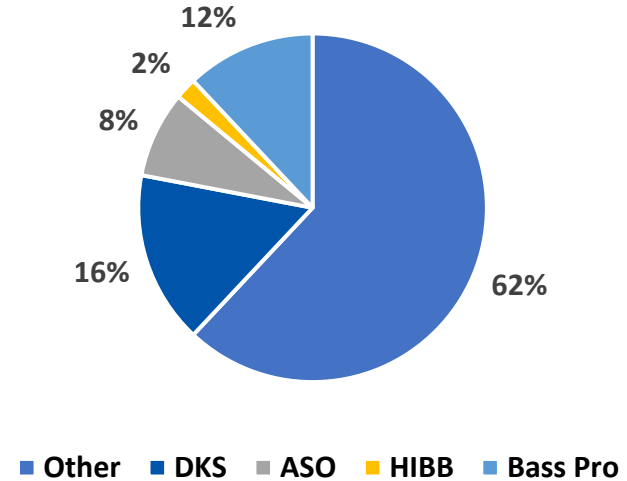


Industry Overview

Mergers and Acquisitions in the Space



Market Share



The Major Players in the Space



Service the Southeastern United States

Found evenly distributed across the United States

Predominately found in the South and Eastern US

Concentrated mostly across the Eastern United States

Larger focus on outdoor goods, hunting, fishing and camping supplies

Common goods; destination for mostly sporting supplies, focus on athletics

Focus on athletic apparel, rather than equipment. Inside shopping malls.

Known for their "niche"; Big stores, common tourist attractions

283 stores

804 stores

1,164 stores

156 stores

Academy

SPORTS+OUTDOORS

GUARANTEED
BEST PRICE
TEXAS

or we
come
28
etc

@MA

102.




Investment Thesis



Supply-Chain Investments & Economies of Scale Will Increase Margins

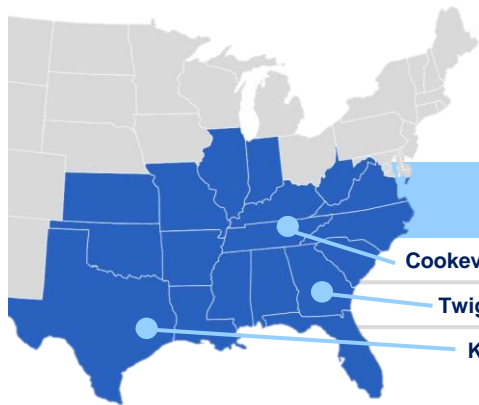


New Supply-Chain Investments Underway¹

 <h3>Expand Capacity + Capabilities</h3> <p>Action Plan</p> <ul style="list-style-type: none"> - Scalable Transportation Programs - Optimize Footprint & Equipment - New Distribution Center <hr/> <p>Action Impact</p> <ul style="list-style-type: none"> - Optimize container utilization - Increased palette locations 	 <h3>Ensure Consistent Standards + Execution</h3> <p>Action Plan</p> <ul style="list-style-type: none"> - Process Standardization - Continue to Leverage Upstream <hr/> <p>Action Impact</p> <ul style="list-style-type: none"> - Reduced labor costs and lead times - 40% uplift in Twiggs DC productivity - Removing waste 	 <h3>Enhance Visibility + Inventory Management</h3> <p>Action Plan</p> <ul style="list-style-type: none"> - End-to-End Visibility - Transportation Network Review <hr/> <p>Action Impact</p> <ul style="list-style-type: none"> - Real-time inventory visibility - Reduce empty miles - Labor efficiency
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~20 % Expansion of DC Capacity
~5 % Savings in Labor Cost
>35 % Pre-Allocation Utilization
~10 % Increase in Unit Throughput
~25 % Decrease in Accessorial Cost
~10 % Decrease in Empty Miles

Current Distribution Centers are Under-Utilized



ASO has enough distribution capacity to handle new store growth plans.

	Footprint (sq. ft.)	Year Built	% Utilized
Cookeville	1.6 mil	2016	50%
Twiggs	1.6 mil	2006	50%
Katy	1.6 mil	1991	90%

Goal of Higher Margins and Lower Turnover

100+
Basis Point Profitability Improvement

Management projected results of targeted investments in supply chain:

- ~20% Increase in Unit Productivity
- ~30% Improvement in eCom Fulfillment Cost
- ~45% Decrease in Lead Time, Driving In-Stocks
- ~15% Leverage in Transportation Cost to Serve
- ~10% Increase in Existing Distribution Capacity

Growth of new stores through expansion plan will cause dist. centers to reach capacity, which will increase margins for ASO

Management is guiding for EBIT margins of ~13.5% and Net Income Margins of 10% by FY 2027

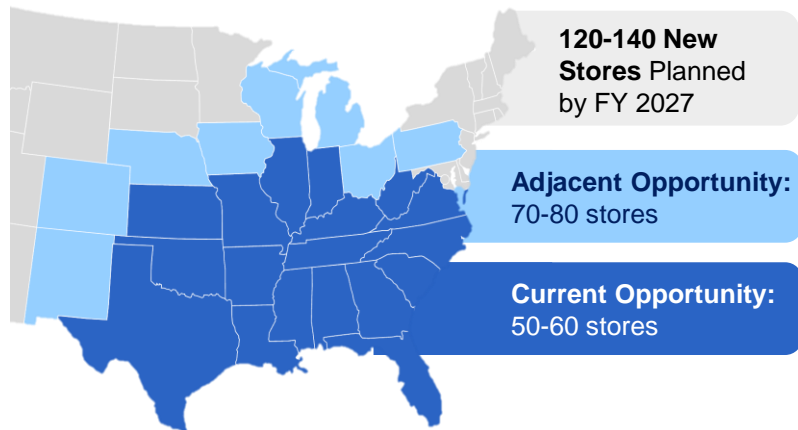
(1) ASO IR September 2023



Aggressive Expansion Will Increase Store Count 50% by 2027

New Academy Store Expansion¹

Five-Year Store Growth Plan:

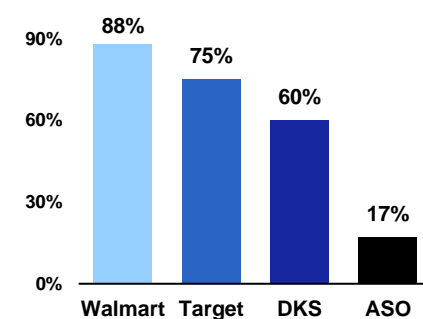


Geographic Expansion Opportunity:

New Store Economics:

- \$18M** Year 1 Sales Target
- \$5-6M** Capital to Open
- 4-5 Years** Sales Ramp
- 20%** ROIC Hurdle
- > Year 1** EBITDA Positive

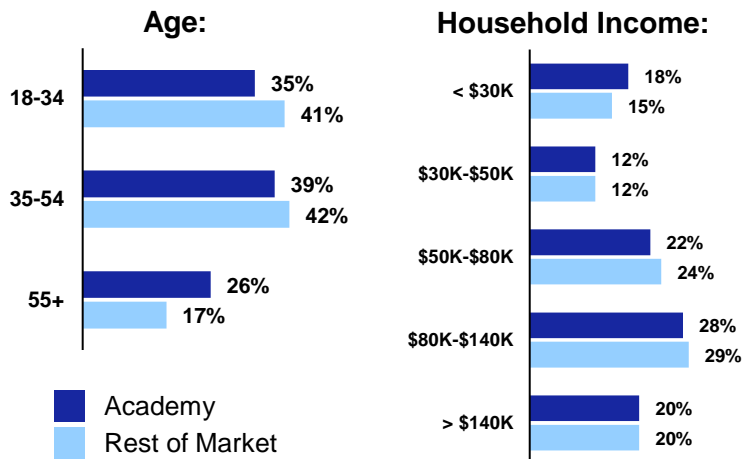
Americans w/in 10mi. of a Store:



Foreseeable sustained population growth with average estimated population growth of 12.3% in core markets from 2020-2030.

New Partnerships Increase Product Diversity and Will Help Gain Customers in New Markets^{1,2}

The Academy Customer:



Steven Lawrence Paul, CEO & Director:

"Our new relationships will allow us to dramatically grow our assortment & to service a greatly expanded number of categories."

L.L.Bean

Q2 2023 Partnership

- Magellan and Columbia brands lean more towards **fishing & southern climates**
- L.L. Bean's **outdoor apparel & footwear with a Northern sensibility** as the perfect complement to their "national brands" category



Q3 2023 Partnership

- Licensed team apparel has been **limited to the regions occupied** by Academy
- Partnership allows ASO to **expand online offering** and provide licensed team apparel for **teams and leagues across the nation**

(1) ASO IR September 2023, (2) Academy Press Releases – L.L. Bean & Fanatics



Why We Like Academy Over the Rest of the Industry

Low Costs Gives ASO a Competitive Advantage

Low costs should help Academy as it starts to move into new geographic regions and compete with Dick's more directly.



High Private Label Sales Gives ASO Better Margins

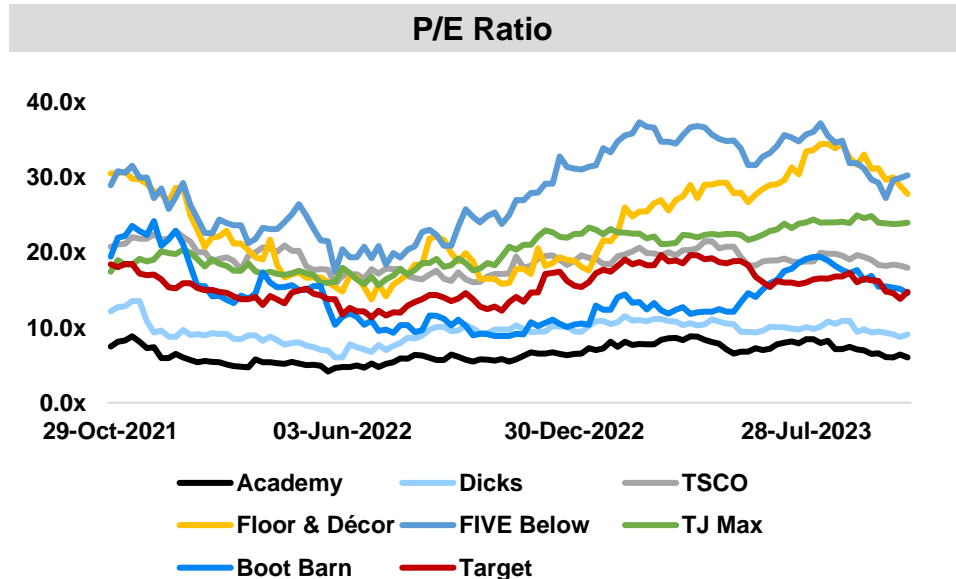
Dicks has ~14% of sales as private label, while Academy has 21% with **plans to increase to 25% by 2027**. This gives ASO ~12-13% operating margins, with DKS at ~10%.



Despite Industry Leading Performance, ASO Trades at a Discount

Sales Per Square Foot		Sales Per Store (\$M)	
TGT	\$440	TGT	\$55
ASO	\$340	ASO	\$24
DKS	\$290	DKS	\$14
SPWH	\$286	SPWH	\$11
HIBB	\$266	HIBB	\$2
BGFV	\$192	BGFV	\$2

Adj. EBITDA Per Store (\$M)		Cash From Ops as % of Sales	
TGT	\$3.39	TGT	3.7%
ASO	\$3.70	ASO	8.6%
DKS	\$2.18	DKS	7.5%
SPWH	\$0.76	SPWH	4.5%
HIBB	\$0.20	HIBB	3.3%
BGFV	\$0.10	BGFV	-2.9%



(1) ASO IR September 2023

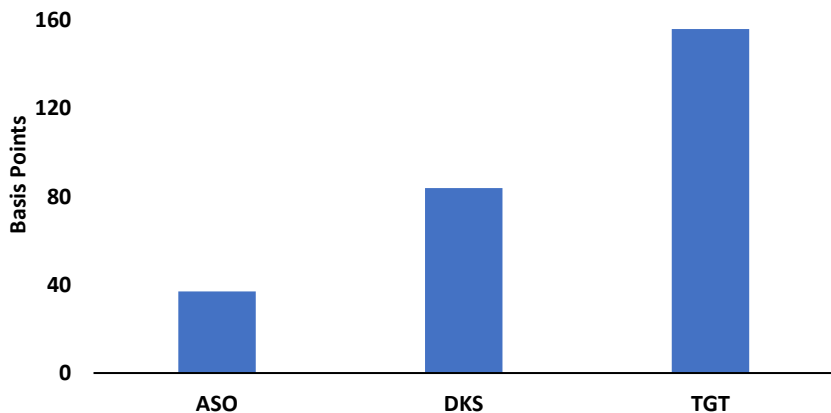


Overreaction to Industry Headwinds

Less Shrink Than Competitors¹

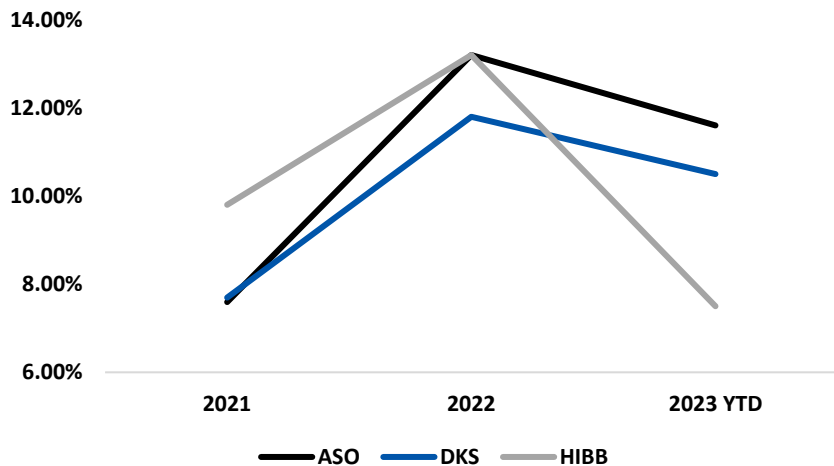
“And we’ve been able to, frankly, help intervene and **take down some organized crime rings** that have helped shrink.”

Decrease in 23Q2 Gross Margin Due to Shrink



Margins Still High Despite Lower Demand³

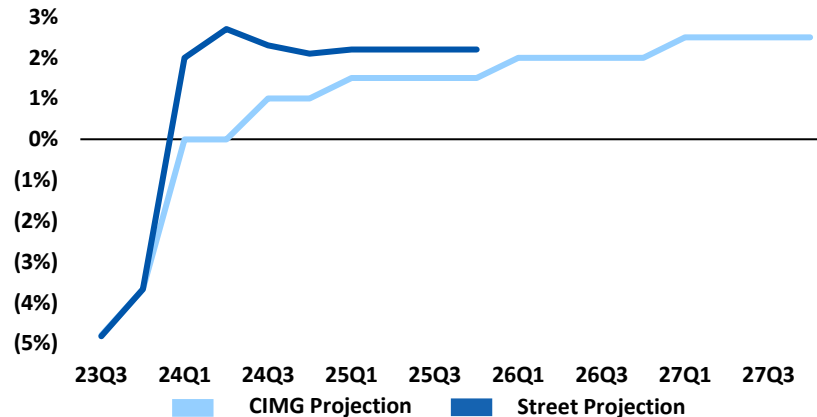
Operating Margin



SSS Inflection in 2024²

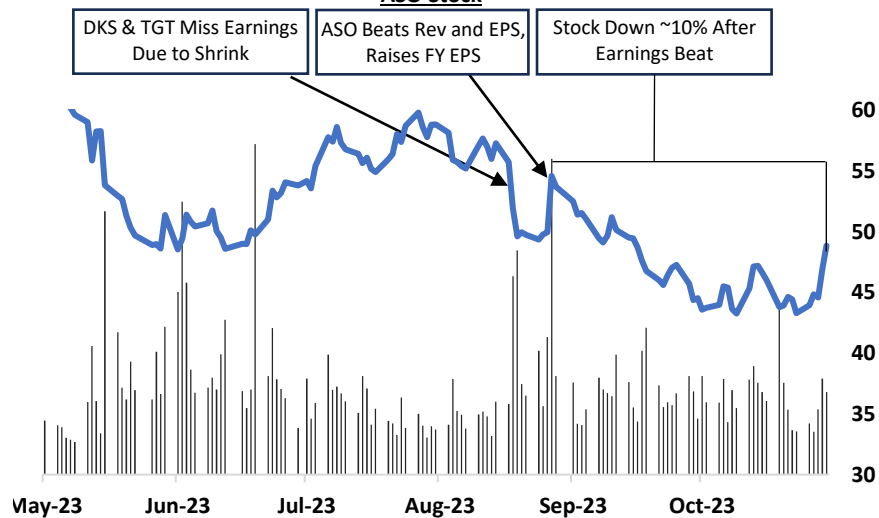
“In Q2, we saw steady improvements in both sales and margin rates with **each month getting successively better**. Our belief is that we can continue to build on this momentum as we progress through Q3 and into the holiday selling season in Q4.”

SSS Expected Growth



Attractive Valuation After Recent Selloff⁴

ASO Stock



(1) ASO, DKS, TGT 10-Qs (2) Visible Alpha Projections (3) ASO, DKS, HIBB 10-Ks (4) Yahoo Finance

Valuation



GET FIT

FITNESS CENTER

FITNESS

SHOP

FITNESS

More Fun. Less Work.

11

Treadmills

Treadmills

Treadmills

Treadmills

Treadmills

Treadmills

Treadmills

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Treadmills

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Treadmills

Treadmills

Rowers

More Fun. Less Work.

More Fun. Less Work.

More Fun. Less Work.

11

500%

PRO-FORM





Base Case Valuation

Cover Valuation

Terminal Multiple EV/EBITDA - 5 Yr. DCF	
Terminal Value	\$ 6,118,495
PV of Terminal Value	\$ 4,097,968
PV of Free Cash Flow	\$ 2,327,322
Enterprise Value	\$ 6,425,290
Less: Debt	\$ 583,729
Less: Preferred / Other	\$ -
Plus: Cash	\$ 311,336
Implied Equity Value	\$ 6,152,897
Diluted Shares Outstanding	78,091
Implied Share Price	\$ 78.79
Upside / (Downside)	61.33%
PV TV as a % of the Enterprise Value	63.78%
Implied Long Term Growth Rate	(1.81%)

Long Term Growth Rate Method - 5 Yr. DCF	
Terminal Value	\$ 9,381,539
PV of Terminal Value	\$ 6,283,447
PV of Free Cash Flow	\$ 2,327,322
Enterprise Value	\$ 8,610,770
Less: Debt	\$ 583,729
Less: Preferred / Other	\$ -
Plus: Cash	\$ 311,336
Implied Equity Value	\$ 8,338,377
Diluted Shares Outstanding	78,091
Implied Share Price	\$ 106.78
Upside / (Downside)	118.63%
PV TV as a % of the Enterprise Value	72.97%
Implied Terminal Multiple	5.93x

Blended Upside	
Multiple Valuation	\$ 78.79
LTGR Valuation	\$ 106.78
Multiple Weight	50%
LTGR Weight	50%
Implied Share Price	\$ 92.78
Current Share Price	\$ 48.84
Upside / (Downside)	90%

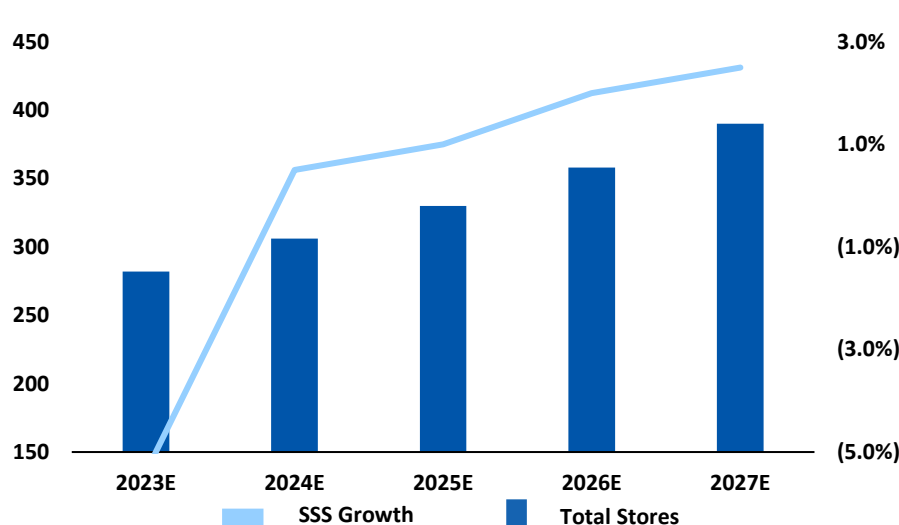
Recommend BUY at 5% Weight
PT: \$77.53
Upside: 73%

Catalyst Path

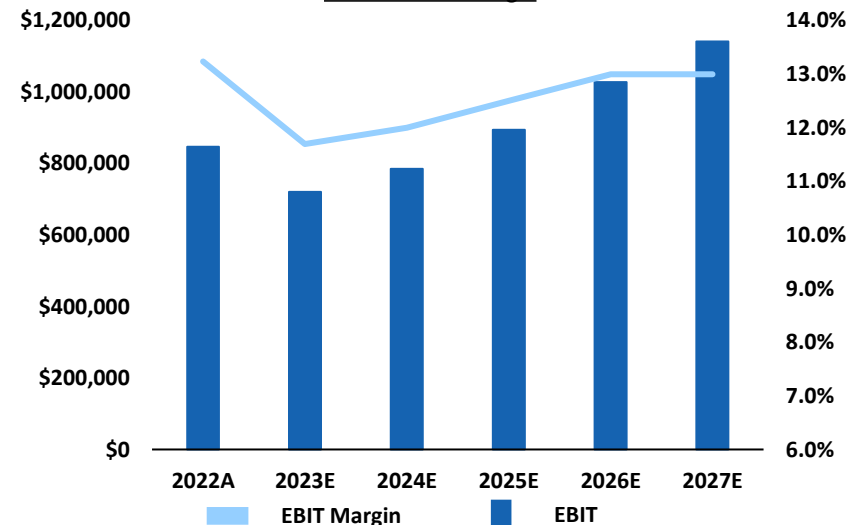
- ASO builds out 120 new stores through 2027 (management guidance of 120-140)
- EBIT margins reach 13% in 2027 (management guidance of 13-13.5%)
- SSS reflects in 24Q1, reaching 2.5% in 2027
- Industry median 4.00x EV/EBITDA multiple

Thesis in the Model

SSS and Store Count Growth



EBIT and EBIT Margin





Bull Case

Terminal Multiple EV/EBITDA - 5 Yr. DCF		Long Term Growth Rate Method - 5 Yr. DCF	
Terminal Value	\$ 6,853,539	Terminal Value	\$ 9,726,071
PV of Terminal Value	\$ 4,590,276	PV of Terminal Value	\$ 6,514,204
PV of Free Cash Flow	\$ 2,315,932	PV of Free Cash Flow	\$ 2,315,932
Enterprise Value	\$ 6,906,207	Enterprise Value	\$ 8,830,135
Less: Debt	\$ 583,729	Less: Debt	\$ 583,729
Less: Preferred / Other	\$ -	Less: Preferred / Other	\$ -
Plus: Cash	\$ 311,336	Plus: Cash	\$ 311,336
Implied Equity Value	\$ 6,633,814	Implied Equity Value	\$ 8,557,742
Diluted Shares Outstanding	78,091	Diluted Shares Outstanding	78,091
Implied Share Price	\$ 84.95	Implied Share Price	\$ 109.59
<i>Upside / (Downside)</i>	73.93%	<i>Upside / (Downside)</i>	124.38%
<i>PV TV as a % of the Enterprise Value</i>	66.47%	<i>PV TV as a % of the Enterprise Value</i>	73.77%
Implied Long Term Growth Rate	(1.02%)	Implied Terminal Multiple	5.95x

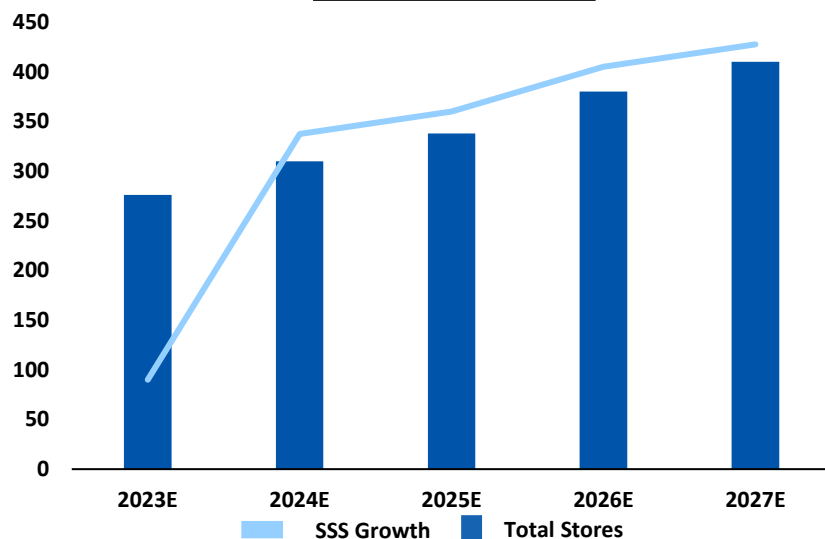
Blended Upside	
Multiple Valuation	\$ 84.95
LTGR Valuation	\$ 109.59
Multiple Weight	50%
LTGR Weight	50%
Implied Share Price	\$ 97.27
Current Share Price	\$ 48.84
<i>Upside / (Downside)</i>	99%

Catalyst Path

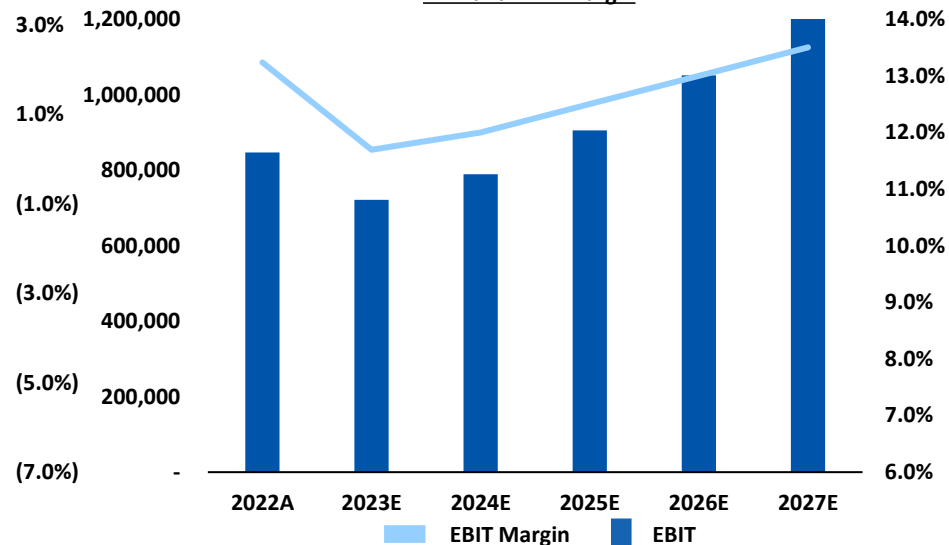
- ASO builds out 140 new stores through 2027 (management guidance of 120-140)
- EBIT margins reach 13.5% in 2027 (management guidance of 13-13.5%)
- SSS reflects in 24Q1, reaching 2.5% in 2027

Thesis in the Model

SSS and Store Count Growth



EBIT and EBIT Margin



Bear Case



Bear Case

Terminal Multiple EV/EBITDA - 5 Yr. DCF		Long Term Growth Rate Method - 5 Yr. DCF	
Terminal Value	\$ 3,772,228	Terminal Value	\$ 6,486,144
PV of Terminal Value	\$ 2,526,515	PV of Terminal Value	\$ 4,344,207
PV of Free Cash Flow	\$ 1,838,633	PV of Free Cash Flow	\$ 1,838,633
Enterprise Value	\$ 4,365,148	Enterprise Value	\$ 6,182,840
Less: Debt	\$ 583,729	Less: Debt	\$ 583,729
Less: Preferred / Other	\$ -	Less: Preferred / Other	\$ -
Plus: Cash	\$ 311,336	Plus: Cash	\$ 311,336
Implied Equity Value	\$ 4,092,755	Implied Equity Value	\$ 5,910,447
Diluted Shares Outstanding	78,091	Diluted Shares Outstanding	78,091
Implied Share Price	\$ 52.41	Implied Share Price	\$ 75.69
<i>Upside / (Downside)</i>	7.31%	<i>Upside / (Downside)</i>	54.97%
<i>PV TV as a % of the Enterprise Value</i>	57.88%	<i>PV TV as a % of the Enterprise Value</i>	70.26%
Implied Long Term Growth Rate	(3.07%)	Implied Terminal Multiple	4.66x

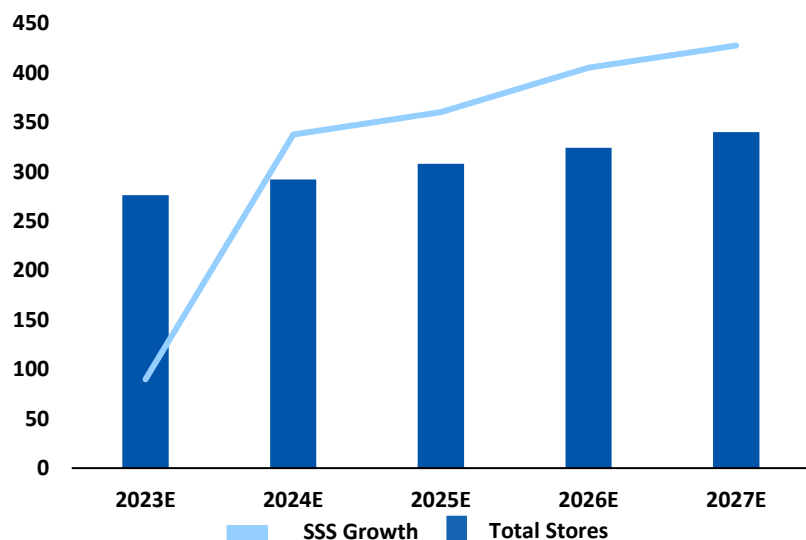
Blended Upside	
Multiple Valuation	\$ 52.41
LTGR Valuation	\$ 75.69
Multiple Weight	50%
LTGR Weight	50%
Implied Share Price	\$ 64.05
Current Share Price	\$ 48.84
<i>Upside / (Downside)</i>	31%

Catalyst Path

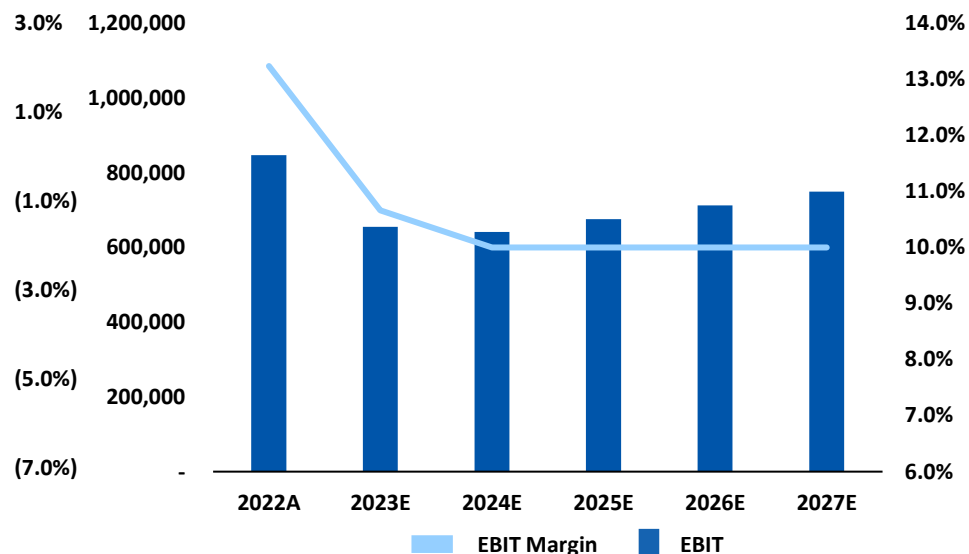
- ASO builds out 70 new stores through 2027 (half of management guidance)
- EBIT margins reach 10% in 2027 (DKS current EBIT margin)
- SSS reflects in 24Q1, reaching 2.5% in 2027

Thesis in the Model

SSS and Store Count Growth



EBIT and EBIT Margin



Super-Bear Case



Super-Bear Case

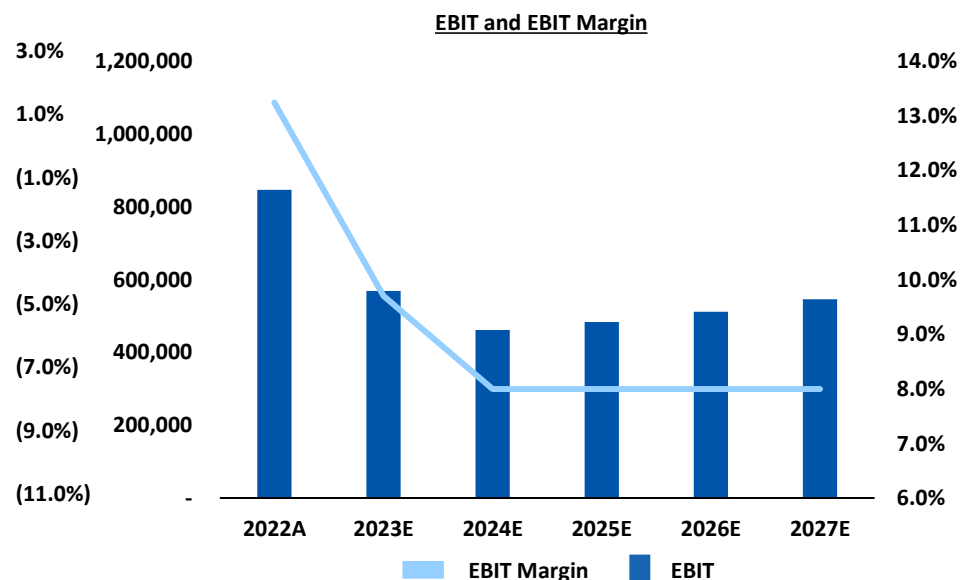
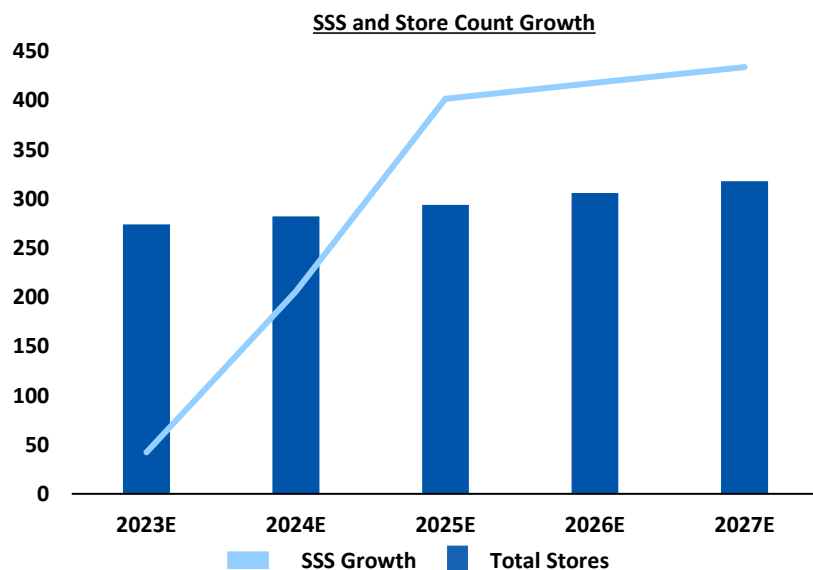
Terminal Multiple EV/EBITDA - 5 Yr. DCF		Long Term Growth Rate Method - 5 Yr. DCF	
Terminal Value	\$ 2,766,585	Terminal Value	\$ 4,707,008
PV of Terminal Value	\$ 1,852,968	PV of Terminal Value	\$ 3,152,600
PV of Free Cash Flow	\$ 1,405,684	PV of Free Cash Flow	\$ 1,405,684
Enterprise Value	\$ 3,258,652	Enterprise Value	\$ 4,558,284
Less: Debt	\$ 583,729	Less: Debt	\$ 583,729
Less: Preferred / Other	\$ -	Less: Preferred / Other	\$ -
Plus: Cash	\$ 311,336	Plus: Cash	\$ 311,336
Implied Equity Value	\$ 2,986,259	Implied Equity Value	\$ 4,285,891
Diluted Shares Outstanding	78,091	Diluted Shares Outstanding	78,091
Implied Share Price	\$ 38.24	Implied Share Price	\$ 54.88
<i>Upside / (Downside)</i>	<i>(21.70%)</i>	<i>Upside / (Downside)</i>	<i>12.37%</i>
<i>PV TV as a % of the Enterprise Value</i>	<i>56.86%</i>	<i>PV TV as a % of the Enterprise Value</i>	<i>69.16%</i>
Implied Long Term Growth Rate	(2.95%)	Implied Terminal Multiple	3.60x

Blended Upside	
Multiple Valuation	\$ 38.24
LTGR Valuation	\$ 54.88
Multiple Weight	50%
LTGR Weight	50%
Implied Share Price	\$ 46.56
Current Share Price	\$ 48.84
<i>Upside / (Downside)</i>	<i>(4.66%)</i>

Catalyst Path

- Covid demand is completely reversed, with NTM revenue equal to 2019 revenue
- ASO builds out 20 new stores through 2027 (management guiding 120-140)
- EBIT margins reach 8% in 2027 (HIBB current EBIT margin, and lowest in the industry)

Thesis in the Model



Academy

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Appendix





Base Case DCF

Discounted Cash Flow Analysis						
	2022A	2023E	2024E	2025E	2026E	2027E
Revenue	6,395,073	6,165,323	6,546,131	7,155,460	7,904,576	8,783,046
<i>YoY Growth %</i>		-3.6%	6.2%	9.3%	10.5%	11.1%
	2022A	2023E	2024E	2025E	2026E	2027E
EBIT	846,549	720,995	785,536	894,432	1,027,595	1,141,796
<i>YoY Growth %</i>		-14.8%	9.0%	13.9%	14.9%	11.1%
<i>Margin %</i>	13.2%	11.7%	12.0%	12.5%	13.0%	13.0%
Taxes	190,319	151,409	164,962	187,831	215,795	239,777
NOPAT	656,230	569,586	620,573	706,602	811,800	902,019
D&A (+)	106,762	144,626	196,585	212,790	313,506	387,828
<i>% of revenue</i>	1.7%	2.3%	3.0%	3.0%	4.0%	4.4%
Capex (-)	108,400	264,142	327,642	354,651	447,866	554,040
<i>% of revenue</i>	1.7%	4.3%	5.0%	5.0%	5.7%	6.3%
FCF	654,592	450,071	489,516	564,741	677,440	735,807
<i>YoY Growth %</i>		-31.2%	8.8%	15.4%	20.0%	8.6%
<i>Margin %</i>	10.2%	7.3%	7.5%	7.9%	8.6%	8.4%
Period		0.21	1.21	2.21	3.21	4.21
Discount Factor		0.98	0.89	0.81	0.74	0.67
PV of FCF		441,342	436,384	457,677	499,100	492,819
EBITDA	953,311	865,622	982,121	1,107,223	1,341,101	1,529,624
<i>YoY Growth %</i>		-9.2%	13.5%	12.7%	21.1%	14.1%
<i>Margin %</i>	14.9%	14.0%	15.0%	15.5%	17.0%	17.4%



Base Case Sensitivity

Implied Share Price - Terminal Multiple EV/EBITDA

		Discount Rate						
		8.00%	9.00%	10.00%	11.00%	12.00%		
Terminal Multiple	0.00x	\$ 27.60	\$ 26.94	\$ 26.31	\$ 25.71	\$ 25.13	Mid DR:	10.00%
	2.00x	\$ 55.94	\$ 54.21	\$ 52.55	\$ 50.97	\$ 49.45	Mid TM:	4.00x
	4.00x	\$ 84.28	\$ 81.47	\$ 78.79	\$ 76.23	\$ 73.77		
	6.00x	\$ 112.63	\$ 108.74	\$ 105.03	\$ 101.48	\$ 98.10	Step DR:	1.00%
	8.00x	\$ 140.97	\$ 136.01	\$ 131.27	\$ 126.74	\$ 122.42	Step TM:	2.00x

Implied Share Price - Discount Rate/Long Term Growth Rate

		Discount Rate						
		8.00%	9.00%	10.00%	11.00%	12.00%		
Long Term Growth Rate	0.50%	\$ 118.95	\$ 104.48	\$ 93.08	\$ 83.86	\$ 76.25	Mid DR:	10.00%
	1.50%	\$ 134.05	\$ 115.69	\$ 101.67	\$ 90.62	\$ 81.68	Mid LTGR:	2.00%
	2.00%	\$ 143.49	\$ 122.50	\$ 106.78	\$ 94.56	\$ 84.80		
	2.50%	\$ 154.64	\$ 130.36	\$ 112.56	\$ 98.97	\$ 88.25	Step DR:	1.00%
	3.00%	\$ 168.03	\$ 139.52	\$ 119.17	\$ 103.93	\$ 92.08	Step LTGR:	0.50%

Bull Case DCF



Discounted Cash Flow Analysis						
	2022A	2023E	2024E	2025E	2026E	2027E
Revenue	6,395,073	6,165,323	6,575,077	7,241,796	8,088,670	9,100,740
YoY Growth %		-3.6%	6.6%	10.1%	11.7%	12.5%
	2022A	2023E	2024E	2025E	2026E	2027E
EBIT	846,549	720,995	789,009	905,224	1,051,527	1,228,600
Margin %	13.2%	11.7%	12.0%	12.5%	13.0%	13.5%
Taxes	190,319	151,409	165,692	190,097	220,821	258,006
NOPAT	656,230	569,586	623,317	715,127	830,706	970,594
D&A (+)	106,762	144,626	229,350	248,255	358,293	484,785
% of revenue	1.7%	2.3%	3.5%	3.4%	4.4%	5.3%
Capex (-)	108,400	264,142	382,249	413,759	511,847	692,550
% of revenue	1.7%	4.3%	5.8%	5.7%	6.3%	7.6%
FCF	654,592	450,071	470,418	549,624	677,152	762,829
YoY Growth %		-31.2%	4.5%	16.8%	23.2%	12.7%
Margin %	10.2%	7.3%	7.2%	7.6%	8.4%	8.4%
Period		0.21	1.21	2.21	3.21	4.21
Discount Factor		0.98	0.89	0.81	0.74	0.67
PV of FCF		441,342	419,359	445,425	498,888	510,918
EBITDA	953,311	865,622	1,018,359	1,153,480	1,409,820	1,713,385
YoY Growth %		-9.2%	17.6%	13.3%	22.2%	21.5%
Margin %	14.9%	14.0%	15.5%	15.9%	17.4%	18.8%



Bull Case Sensitivity

Implied Share Price - Terminal Multiple EV/EBITDA

		Discount Rate						
		8.00%	9.00%	10.00%	11.00%	12.00%		
Terminal Multiple	0.00x	\$ 27.46	\$ 26.80	\$ 26.17	\$ 25.56	\$ 24.97	Mid DR:	10.00%
	2.00x	\$ 59.21	\$ 57.34	\$ 55.56	\$ 53.85	\$ 52.22	Mid TM:	4.00x
	4.00x	\$ 90.95	\$ 87.88	\$ 84.95	\$ 82.15	\$ 79.47	Step DR:	1.00%
	6.00x	\$ 122.70	\$ 118.42	\$ 114.34	\$ 110.44	\$ 106.71	Step TM:	2.00x
	8.00x	\$ 154.45	\$ 148.97	\$ 143.73	\$ 138.73	\$ 133.96		

Implied Share Price - Discount Rate/Long Term Growth Rate

		Discount Rate						
		8.00%	9.00%	10.00%	11.00%	12.00%		
Long Term Growth Rate	0.50%	\$ 122.16	\$ 107.19	\$ 95.38	\$ 85.84	\$ 77.98	Mid DR:	10.00%
	1.50%	\$ 137.82	\$ 118.81	\$ 104.29	\$ 92.85	\$ 83.60	Mid LTGR:	2.00%
	2.00%	\$ 147.60	\$ 125.87	\$ 109.59	\$ 96.94	\$ 86.84	Step DR:	1.00%
	2.50%	\$ 159.17	\$ 134.01	\$ 115.58	\$ 101.51	\$ 90.41	Step LTGR:	0.50%
	3.00%	\$ 173.05	\$ 143.51	\$ 122.44	\$ 106.65	\$ 94.39		



Bear Case DCF

Discounted Cash Flow Analysis						
	2022A	2023E	2024E	2025E	2026E	2027E
Revenue	6,395,073	6,144,358	6,414,928	6,753,159	7,122,295	7,491,432
<i>YoY Growth %</i>		-3.9%	4.4%	5.3%	5.5%	5.2%
EBIT	846,549	654,926	641,493	675,316	712,230	749,143
<i>YoY Growth %</i>		-22.6%	-2.1%	5.3%	5.5%	5.2%
<i>Margin %</i>	13.2%	10.7%	10.0%	10.0%	10.0%	10.0%
Taxes	190,319	137,535	134,713	141,816	149,568	157,320
NOPAT	656,230	517,392	506,779	533,500	562,661	591,823
D&A (+)	106,762	113,758	131,057	141,860	179,146	193,914
<i>% of revenue</i>	1.7%	1.9%	2.0%	2.1%	2.5%	2.6%
Capex (-)	108,400	212,695	218,428	236,434	255,923	277,020
<i>% of revenue</i>	1.7%	3.5%	3.4%	3.5%	3.6%	3.7%
FCF	654,592	418,455	419,408	438,926	485,884	508,717
<i>YoY Growth %</i>		-36.1%	0.2%	4.7%	10.7%	4.7%
<i>Margin %</i>	10.2%	6.8%	6.5%	6.5%	6.8%	6.8%
Period		0.21	1.21	2.21	3.21	4.21
Discount Factor		0.98	0.89	0.81	0.74	0.67
PV of FCF		410,339	373,886	355,714	357,972	340,722
EBITDA	953,311	768,684	772,550	817,176	891,376	943,057
<i>YoY Growth %</i>		-19.4%	0.5%	5.8%	9.1%	5.8%
<i>Margin %</i>	14.9%	12.5%	12.0%	12.1%	12.5%	12.6%



Bear Case Sensitivity

Implied Share Price - Terminal Multiple EV/EBITDA

		Discount Rate						
		8.00%	9.00%	10.00%	11.00%	12.00%		
Terminal Multiple	0.00x	\$ 21.00	\$ 20.52	\$ 20.06	\$ 19.61	\$ 19.18	Mid DR:	10.00%
	2.00x	\$ 38.47	\$ 37.33	\$ 36.23	\$ 35.18	\$ 34.18	Mid TM:	4.00x
	4.00x	\$ 55.95	\$ 54.14	\$ 52.41	\$ 50.76	\$ 49.17		
	6.00x	\$ 73.42	\$ 70.95	\$ 68.59	\$ 66.33	\$ 64.17	Step DR:	1.00%
	8.00x	\$ 90.90	\$ 87.76	\$ 84.76	\$ 81.90	\$ 79.17	Step TM:	2.00x

Implied Share Price - Discount Rate/Long Term Growth Rate

		Discount Rate						
		8.00%	9.00%	10.00%	11.00%	12.00%		
Long Term Growth Rate	0.50%	\$ 84.16	\$ 74.13	\$ 66.21	\$ 59.81	\$ 54.53	Mid DR:	10.00%
	1.50%	\$ 94.60	\$ 81.88	\$ 72.16	\$ 64.49	\$ 58.28	Mid LTGR:	2.00%
	2.00%	\$ 101.12	\$ 86.59	\$ 75.69	\$ 67.21	\$ 60.44		
	2.50%	\$ 108.84	\$ 92.02	\$ 79.69	\$ 70.26	\$ 62.82	Step DR:	1.00%
	3.00%	\$ 118.09	\$ 98.35	\$ 84.26	\$ 73.69	\$ 65.47	Step LTGR:	0.50%

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Super-Bear Case DCF

Discounted Cash Flow Analysis						
	2022A	2023E	2024E	2025E	2026E	2027E
Revenue	6,395,073	5,866,215	5,775,384	6,050,210	6,399,079	6,827,635
<i>YoY Growth %</i>		-8.3%	-1.5%	4.8%	5.8%	6.7%
EBIT	846,549	569,121	462,031	484,017	511,926	546,211
<i>YoY Growth %</i>		-32.8%	-18.8%	4.8%	5.8%	6.7%
<i>Margin %</i>	13.2%	9.7%	8.0%	8.0%	8.0%	8.0%
Taxes	190,319	119,515	97,026	101,644	107,505	114,704
NOPAT	656,230	449,606	365,004	382,373	404,422	431,507
D&A (+)	106,762	82,889	65,528	106,395	134,360	145,435
<i>% of revenue</i>	1.7%	1.4%	1.1%	1.8%	2.1%	2.1%
Capex (-)	108,400	161,247	109,214	177,325	191,943	207,765
<i>% of revenue</i>	1.7%	2.7%	1.9%	2.9%	3.0%	3.0%
FCF	654,592	371,248	321,319	311,443	346,839	369,177
<i>YoY Growth %</i>		-43.3%	-13.4%	-3.1%	11.4%	6.4%
<i>Margin %</i>	10.2%	6.3%	5.6%	5.1%	5.4%	5.4%
Period		0.21	1.21	2.21	3.21	4.21
Discount Factor		0.98	0.89	0.81	0.74	0.67
PV of FCF		364,048	286,443	252,399	255,532	247,263
EBITDA	953,311	652,011	527,559	590,412	646,286	691,646
<i>YoY Growth %</i>		-31.6%	-19.1%	11.9%	9.5%	7.0%
<i>Margin %</i>	14.9%	11.1%	9.1%	9.8%	10.1%	10.1%



Super-Bear Case Sensitivity

Implied Share Price - Terminal Multiple EV/EBITDA

		Discount Rate						
		8.00%	9.00%	10.00%	11.00%	12.00%		
Terminal Multiple	0.00x	\$ 15.20	\$ 14.85	\$ 14.51	\$ 14.19	\$ 13.88	Mid DR:	10.00%
	2.00x	\$ 28.01	\$ 27.18	\$ 26.38	\$ 25.61	\$ 24.87	Mid TM:	4.00x
	4.00x	\$ 40.83	\$ 39.51	\$ 38.24	\$ 37.03	\$ 35.87		
	6.00x	\$ 53.65	\$ 51.83	\$ 50.10	\$ 48.45	\$ 46.87	Step DR:	1.00%
	8.00x	\$ 66.46	\$ 64.16	\$ 61.97	\$ 59.87	\$ 57.87	Step TM:	2.00x

Implied Share Price - Discount Rate/Long Term Growth Rate

		Discount Rate						
		8.00%	9.00%	10.00%	11.00%	12.00%		
Long Term Growth Rate	0.50%	\$ 61.03	\$ 53.75	\$ 48.01	\$ 43.36	\$ 39.53	Mid DR:	10.00%
	1.50%	\$ 68.61	\$ 59.38	\$ 52.32	\$ 46.75	\$ 42.25	Mid LTGR:	2.00%
	2.00%	\$ 73.34	\$ 62.79	\$ 54.88	\$ 48.73	\$ 43.82		
	2.50%	\$ 78.94	\$ 66.73	\$ 57.79	\$ 50.94	\$ 45.55	Step DR:	1.00%
	3.00%	\$ 85.66	\$ 71.33	\$ 61.10	\$ 53.43	\$ 47.47	Step LTGR:	0.50%



CEO Steve Lawrence



Steve has served as the CEO for ASO since June 2023, although he joined the company in 2019 as Executive VP and CMO.

Before joining Academy, Lawrence was CEO and served on the Board of Directors at Francesca's. Before Francesca's, he served as CMO at Stage Stores, as well as J.C. Penney's.

CFO Carl Ford IV



Carl has served as Executive Vice President and CFO since July 2023. He joined the company in 2019 and served as the Senior VP of Finance where he led the Financial Planning and Analysis function of the company.

Prior joining the company, Ford served at Belk, Inc. as the VP of Financial Planning & Analysis. Prior to Belk, he worked for Deloitte in their Audit practice.

CIO Manish Maini



Manish has served as the CIO and Senior VP since he joined the company in June of 2017.

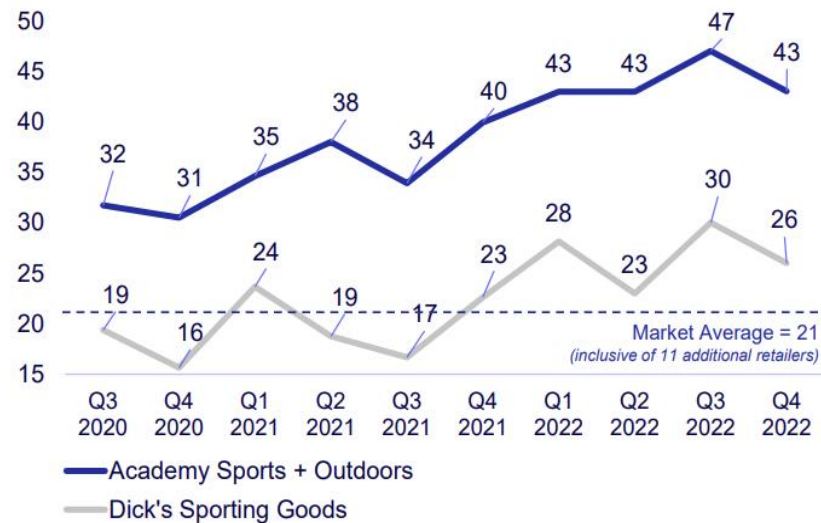
Before joining Academy, he also served as the CIO and a Senior VP at The Children's Place, where he led a 120-member team and was responsible for the development and implementation of the company-wide IT strategy. Before Children's Place, he was at Ann Taylor.

(1) Academu.com



Customer Loyalty: Highest NPS in Category

NET PROMOTER SCORE: ASO VS DKS



NET PROMOTER SCORE (NPS): Q4 2022

