

DICKS SPORTING GOODS INC

Form 10-K

March 29, 2019

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

For the fiscal year ended February 2, 2019

Commission File No. 001-31463

DICK'S SPORTING GOODS, INC.

(Exact name of registrant as specified in its charter)

Delaware

16-1241537

(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

345 Court Street, Coraopolis, Pennsylvania 15108

(724) 273-3400

(Address of principal executive offices, zip code, telephone number)

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

Title of each class	Name of Each Exchange on which Registered
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Common Stock, \$0.01 par value	The New York Stock Exchange
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Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company  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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes  No   
The aggregate market value of the voting common equity held by non-affiliates of the registrant was \$2,454,907,735 as of August 3, 2018 based upon the closing price of the registrant's common stock on the New York Stock Exchange

reported for August 3, 2018.

The number of shares of common stock and Class B common stock of the registrant outstanding as of March 25, 2019 was 71,762,009 and 24,541,123, respectively.

Documents Incorporated by Reference: Part III of this Annual Report on Form 10-K incorporates certain information from the registrant's definitive proxy statement for its Annual Meeting of Stockholders to be held on June 12, 2019 (the "2019 Proxy Statement").

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### Forward-Looking Statements

We caution that any forward-looking statements (as such term is defined in the Private Securities Litigation Reform Act of 1995) contained in this Annual Report on Form 10-K or made by our management involve risks and uncertainties and are subject to change based on various important factors, many of which may be beyond our control. Accordingly, our future performance and financial results may differ materially from those expressed or implied in any such forward-looking statements. Investors should not place undue reliance on forward-looking statements as a prediction of actual results. These statements can be identified as those that may predict, forecast, indicate or imply future results, performance or advancements and by forward-looking words such as "believe", "anticipate", "expect", "estimate", "predict", "intend", "plan", "project", "goal", "will", "will be", "will continue", "will result", "could", "may", "might" or any variations of such words or other words with similar meanings. Forward-looking statements address, among other things, investments to enhance our store experience, to improve our eCommerce fulfillment capabilities, and to implement technology solutions that improve the athlete experience and our teammates' productivity; the continued improvements to the functionality and performance of our own eCommerce platform, including faster and more reliable delivery, faster and more convenient checkout, improved page responsiveness, and new content development through our Pro Tips platform; plans to invest in the growth and marketing of our private brand business; the opening of two new fulfillment centers during the third quarter of 2019; delivering the majority of our online orders within two business days by the end of 2019; our plans to reduce our store growth rate and leverage our real estate portfolio to capitalize on future opportunities in the near and intermediate term as our existing leases come up for renewal; plans to remove hunt merchandise from approximately 125 Dick's Sporting Goods stores and replace with merchandise that is more relevant to the local market; capturing displaced market share; the potential impact of the continuation of the promotional environment in retail, broadened distribution channels of key vendors, and weak customer demand for firearms and other hunting merchandise across the industry; attracting and retaining knowledgeable and skilled teammates; projections of our future profitability; future results of operations; the effect of new or changes in existing tariffs; capital expenditures; anticipated store openings and relocations; plans to return capital to stockholders through dividends or share repurchases; and our future financial condition.

Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties, which may cause actual results to differ materially from those expressed or implied in the forward-looking statements. A detailed discussion of risks and uncertainties that could cause actual results and events to differ materially from such forward-looking statements is included in the section titled "Risk Factors" (Item 1A of this Form 10-K). In addition, we operate in a highly competitive and rapidly changing environment; therefore, new risk factors can arise, and it is not possible for management to predict all such risk factors, nor to assess the impact of all such risk factors on our business or the extent to which any individual risk factor, or combination of risk factors, may cause results to differ materially from those contained in any forward-looking statement. The forward-looking statements included in this Annual Report on Form 10-K are made as of this date. We do not assume any obligation and do not intend to update or revise any forward-looking statements whether as a result of new information, future developments or otherwise except as may be required by the securities laws.

## PART I

### ITEM 1. BUSINESS

#### General

Dick's Sporting Goods, Inc. (together with its subsidiaries, referred to as "the Company", "we", "us" and "our" unless specified otherwise) is a leading omni-channel sporting goods retailer offering an extensive assortment of authentic, high-quality sports equipment, apparel, footwear and accessories through a blend of dedicated associates, in-store services and unique specialty shop-in-shops. The Company also owns and operates Golf Galaxy and Field & Stream

stores, and Dick's Team Sports HQ, an all-in-one youth sports digital platform offering scheduling, communications and live scorekeeping through its GameChanger mobile apps, free league management services, custom uniforms and fan wear, and access to donations and sponsorships. The Company offers its products through a content-rich eCommerce platform that is integrated with its store network and provides customers with the convenience and expertise of a 24-hour storefront.

The Company was founded in 1948 when Richard "Dick" Stack, the father of Edward W. Stack, our Chairman and Chief Executive Officer, opened his original bait and tackle store in Binghamton, New York. Edward W. Stack joined his father's business full-time in 1977 and in 1984 became President and Chief Executive Officer of the then two-store chain. Our vision is to be the best sports company in the world. We create confidence and excitement by personally equipping all athletes to achieve their dreams.

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We were incorporated in 1948 in New York under the name Dick's Clothing and Sporting Goods, Inc. In November 1997, we reincorporated as a Delaware corporation and in April 1999 we changed our name to Dick's Sporting Goods, Inc. Our executive office is located at 345 Court Street, Coraopolis, Pennsylvania 15108 and our phone number is (724) 273-3400. Our website is located at dicks.com. The information on our website does not constitute a part of this Annual Report on Form 10-K. We include on our website, free of charge, copies of our Annual and Quarterly Reports on Forms 10-K and 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act").

When used in this Annual Report on Form 10-K, unless the context otherwise requires or unless otherwise specified, any reference to "year" is to the Company's fiscal year.

## Business Strategy

The key elements of our business strategy are:

**Focus on Our Customer.** Our first priority is to put the customer, to whom we refer as athletes, at the center of everything that we do. We believe that our mindset and our culture must ensure that every decision we make, whether in our stores or at our Customer Support Center ("CSC"), improves the athlete's experience. We will continue to make investments that enhance our store experience, improve our eCommerce fulfillment capabilities and implement technology solutions that improve the athlete experience as well as teammate productivity.

Our marketing program is designed to build loyalty for the Dick's Sporting Goods brand while promoting our broad assortment of brand name sporting goods equipment, apparel and footwear in a specialty store environment. Our historical marketing strategy has consisted largely of newspaper advertising supplemented by direct mail and seasonal use of local and national television and radio. While we continue to market through these traditional channels, we have more recently developed brand-building marketing campaigns focused on building passion and loyalty to the Dick's Sporting Goods brand and have shifted our advertising focus toward digital marketing and personalization. We continue to leverage our extensive and expanding customer relationship marketing database from our ScoreCard Rewards program. The Company continues to grow its community presence through Team Sports HQ and sponsoring thousands of teams at the local level.

We continue to offer our Best Price Guarantee as a promise to our customers that if they find a lower price than ours, we will match it. We also continue to enhance our ScoreCard loyalty program to make it more rewarding to our customers. At the end of fiscal 2017, we discontinued our practice of expiring accrued ScoreCard points at year-end and moved to a rolling 12-month expiration policy. We believe this will reduce customer frustration and will provide us an opportunity to drive customers back to us after they earn points by shopping with us during the holiday season. We also launched a new tier of our ScoreCard loyalty program during 2018 that better rewards our best customers for their loyalty to us.

**Authentic Sporting Goods Retailer.** Our history and core foundation is as a retailer of high-quality authentic athletic equipment, apparel and footwear, which is intended to enhance our customers' performance and enjoyment of athletic pursuits, rather than focusing our merchandise selection on the latest fashion trend or style. We believe our customers seek genuine, deep product offerings, and that ultimately this merchandising approach positions us with advantages in the market, which we believe will continue to benefit from new product offerings with enhanced technological features.

Our objective is not only to carry leading brands, but to carry a full range of products within each category, including premium items for the sports enthusiast. We believe that the breadth of our product selections in each category of sporting goods offers our customers a wide range of good, better and best price points and enables us to address the

needs of sporting goods consumers, from the beginner to the sports enthusiast, which distinguishes us from other large format sporting goods stores. We also believe that the range of merchandise and extensive in-store support services that we offer allows us to differentiate and compete effectively against all of our competitors, from traditional independent sporting goods stores and specialty shops to other large format sporting goods stores and mass merchant discount retailers to internet-based retailers.

Drive Omni-channel Growth. At the core of our omni-channel business are our stores. We believe when our customers connect with the Dick's Sporting Goods brand they expect a seamless shopping experience, regardless of the manner in which they choose to shop with us. We continue to see growth in the number of customers who shop with us both online and in our stores and believe these omni-channel customers represent the future of retail.



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We plan to continue investing to improve the functionality and performance of our eCommerce site, including a faster and more convenient checkout, improved page responsiveness and new content development through our Pro Tips platform. We believe our biggest opportunity to continue improving our online experience is through faster and more reliable delivery. We plan to open two new eCommerce fulfillment centers in New York and California during the third quarter of fiscal 2019, which will enable us to deliver the majority of our online orders within two business days by the end of fiscal 2019. Like our customers, we see retail as an omni-channel experience, where the distinctions between stores and online are becoming increasingly irrelevant.

We believe our store base gives us a competitive advantage over our online-only competitors, as our physical presence allows us to better serve our customers by creating strong engagement through experiential elements, offering the convenience of accepting in-store returns or exchanges and expediting fulfillment of eCommerce orders. We believe that offering support services for the products we sell enhances the credibility of our associates and specialty store concepts with our customers and further differentiates our stores from our competitors.

**Differentiating Dick's Sporting Goods.** Our key partners invest in our stores to showcase their brands. We carry a wide variety of well-known brands, including adidas, Asics, Brooks, Callaway Golf, Columbia, Easton, Nike, TaylorMade, The North Face, Titleist, Under Armour and Yeti. We seek to leverage our partnerships to offer authenticity and credibility to our customers, while differentiating ourselves from our competitors. Our brand partnerships also provide us with access to exclusive products and allow us to differentiate our customers' shopping experience through initiatives such as our brand shops, which provide our customers with a wider and deeper selection of products from our key brands.

To provide differentiation in assortment of products when compared to our competitors, we also offer a wide variety of private brand products that are not available from other retailers. Our exclusive private brand offerings include brands that we own such as Alpine Design, CALIA, ETHOS, Field & Stream, Fitness Gear, Lady Hagen, MAXFLI, Nishiki, Quest, Second Skin, Tommy Armour, Top-Flite and Walter Hagen, as well as brands that we license from third parties including adidas baseball and football, Reebok (performance apparel), Slazenger (golf) and Prince (tennis). Our private brands offer exceptional value and quality to our customers, while also providing the Company with higher gross margins than we obtain on sales of comparable third-party branded products. We consider our private brand strategy to be a key area of opportunity to increase productivity in our stores and online, and have invested in a research, development and procurement staff to support our private brand business. Looking forward, we intend to grow the CALIA line of women's athletic apparel and introduce new private brands during fiscal 2019. Private brand sales represented approximately 14%, 12% and 10% of the Company's consolidated net sales during fiscal 2018, 2017 and 2016, respectively.

The Company is also actively involved in local communities, sponsoring thousands of teams in various sports, and supports the philanthropic efforts of its private corporate foundation, The Dick's Sporting Goods Foundation, whose primary mission is to inspire and enable youth sports participation through the Sports Matter program. The Dick's Team Sports HQ business, which is primarily comprised of Blue Sombrero, Affinity Sports, GameChanger and AD Starr, is focused on creating a holistic digital eco-system to support and equip youth sports and establish relationships with millions of players. We plan to use Dick's Team Sports HQ to stay top-of-mind for athletes and their families, and to create a powerful dataset that we will use to develop offers that are tailored and timed to meet the needs of these athletes.

**Merchandising**

The following table sets forth the approximate percentage of our sales attributable to the hardlines, apparel and footwear categories for the fiscal years presented:

Category	Fiscal Year					
	2018	2017	2016	2018	2017	2016
Hardlines <sup>(1)</sup>	43 %	45 %	45 %	43 %	45 %	45 %
Apparel	35 %	34 %	35 %	35 %	34 %	35 %
Footwear	20 %	20 %	19 %	20 %	20 %	19 %

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Other <sup>(2)</sup>	2	%	1	%	1	%
Total	100	%	100	%	100	%

(1) Includes items such as sporting goods equipment, fitness equipment, golf equipment and hunting and fishing gear.

(2) Includes the Company's non-merchandise sales categories, including in-store services, shipping revenues and credit card processing revenues.

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Segment information is further described within Note 1 to the Consolidated Financial Statements.

### Selling Channels

We offer products to our customers through our retail stores and online. Although we sell through both of these channels, we believe that sales in one channel are not independent of the other. Regardless of the sales channel, we seek to provide our customers with a seamless omni-channel shopping experience.

### Retail Stores:

**Store Format.** Each of our Dick's Sporting Goods stores unites several sports specialty stores under one roof, and typically contains the following specialty shops: Team Sports, Athletic Apparel, Golf, Outdoor Lodge, Fitness and Footwear. We believe our "store-within-a-store" concept creates a unique shopping environment by combining the convenience, broad assortment and competitive prices of large format stores with the brand names, deep product selection and customer service of a specialty store. Our Dick's Sporting Goods, Golf Galaxy and Field & Stream stores are designed to create an exciting and interactive shopping environment for the sporting enthusiast that highlights our extensive product assortments and value-added services.

We seek to expand our presence through the opening of new stores, and believe that growing our store network and eCommerce business simultaneously will enable us to profitably grow the business by delivering an omni-channel shopping experience for our customers. We plan to continue a reduced rate of store growth compared to historical levels as we monitor the competitive retail landscape and focus our store growth in under-served and under-penetrated markets. In fiscal 2019, we expect to open approximately seven new Dick's Sporting Goods stores and two new Golf Galaxy stores, which represents a slight reduction from 2018. Additionally, we plan to relocate three Dick's Sporting Goods stores and one Golf Galaxy store. We do not plan to open any new Field & Stream stores in 2019.

Approximately two-thirds of our Dick's Sporting Goods stores will be up for lease renewal at our option over the next five years. We plan to leverage the significant flexibility within our existing real estate portfolio to capitalize on future real estate opportunities over the near and intermediate term as these leases come up for renewal.

### eCommerce:

Through our websites, we seek to provide our customers with in-depth product information and the ability to shop with us at any time. In recent years, the Company has continued to innovate its eCommerce sites and applications with customer experience enhancements, new releases of its mobile and tablet apps, and the development of omni-channel capabilities that integrate the Company's online presence with its brick and mortar stores to provide our customers with an omni-channel shopping experience. Currently, we have return-to-store capabilities for online orders, the ability to place online orders in our stores if we are out of stock in the retail store and buy online pick-up in-store capabilities. We also have the ability through our websites to ship orders placed online from our retail locations, which reduces delivery times for online orders and improves inventory productivity. In fiscal 2018, eCommerce accounted for approximately 15% of our total net sales.

### Purchasing, Distribution and Customer Fulfillment

During fiscal 2018, we purchased merchandise from approximately 1,200 vendors. Nike, our largest vendor, represented approximately 19% of our merchandise purchases. No other vendor represented 10% or more of our fiscal 2018 merchandise purchases. We do not have long-term purchase contracts with any of our vendors and all of our purchases from vendors are made on a short-term purchase order basis.

We currently operate five regional distribution centers to supply stores with merchandise. Vendors ship floor-ready merchandise to our distribution centers, where it is processed and allocated directly to our stores or to temporary storage at our distribution centers. Our distribution centers are responsible for consolidating damaged or defective merchandise from our stores that is being returned to vendors. We have contracted with common carriers to deliver merchandise from all of our distribution centers to our stores. During fiscal 2018, our stores received approximately 92% of merchandise through our distribution network with the remaining merchandise being shipped directly to the stores from our vendors. We believe this flow of merchandise facilitates prompt and efficient distribution to our stores in order to enhance in-stocks, minimize freight costs and improve our inventory turns.

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We leverage our store and distribution center network, a third-party operated fulfillment center and direct shipping capabilities from our vendors to ensure merchandise delivery speed to our customers and to minimize shipping costs.

### Competition

The market for sporting goods retailers is highly fragmented and intensely competitive. We compete with many retailing formats, including large format sporting goods stores, traditional sporting goods stores, specialty and vendor stores, mass merchants and department stores, internet and catalog-based retailers, and vendors selling directly to consumers. We seek to attract customers by offering a wide range of products utilizing distinctive marketing in stores to create a unique shopping environment and superior service through an omni-channel experience.

### Employees

As of February 2, 2019, we employed approximately 15,200 full-time and 25,500 part-time associates. Due to the seasonal nature of our business, total employment figures fluctuate throughout the year and typically peak during the fourth quarter. None of our associates are covered by a collective bargaining agreement. We believe that our relations with our associates are good.

### Seasonality

Seasonality of the Company's business is discussed in further detail within Item 1A. "Risk Factors".

### Proprietary Rights

The Company has a number of service marks and trademarks registered with the United States Patent and Trademark Office, including various versions of the following: "Alpine Design", "CALIA", "Dick's", "Dick's Sporting Goods", "DSG", "Ethos", "Field & Stream", "Fitness Gear", "Golf Galaxy", "Golfsmith", "Lady Hagen", "MAXFLI", "Nishiki", "Primed", "Quest", "ScoreCard", "ScoreCard Rewards", "Tommy Armour", "Top-Flite", "The Sports Authority" and "Walter Hagen". The Company also has a number of registered domain names, including "dickssportinggoods.com", "dicks.com", "golfgalaxy.com", "fieldandstreamshop.com", "caliastudio.com", "bluesombrero.com", "gamechanger.com" and "affinity-sports.com". Our service marks, trademarks and other intellectual property are subject to risks and uncertainties that are discussed within Item 1A. "Risk Factors". We have also entered into licensing agreements for names that we do not own, which provide for exclusive rights to use names such as "adidas" (baseball and football), "Cobra" (youth golf sets), "Prince" (tennis), "Slazenger" (golf), "Louisville Slugger" (hosiery), and "Reebok" (performance apparel) for specified product categories and, in some cases, specified sales channels. Most of these licenses contemplate long-term business relationships, with substantial initial terms and the opportunity for multi-year extensions. These licenses contain customary termination provisions at the option of the licensor including, in some cases, termination upon our failure to purchase or sell a minimum volume of products and may include early termination fees. Our licenses are also subject to general risks and uncertainties common to licensing arrangements that are described within Item 1A. "Risk Factors".

### Governmental Regulations

We must comply with various federal, state and local regulations, including regulations relating to consumer products and consumer protection, advertising and marketing, labor and employment, data protection and privacy, intellectual property, the environment and tax. In addition, in connection with the sale of firearms in our stores, we must comply with a number of federal and state laws and regulations related to the sale of firearms and ammunition, including the federal Brady Handgun Violence Prevention Act. Ensuring our compliance with these various laws and regulations, and keeping abreast of changes to the legal and regulatory landscape present in our industry, requires us to expend

considerable resources.

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## Executive Officers of the Company

The following table and accompanying narrative sets forth the name, age and business experience of the current Executive Officers of the Company:

Name	Age	Position
Edward W. Stack	64	Chairman and Chief Executive Officer
Lauren R. Hobart	50	President
Lee J. Belitsky	58	Executive Vice President - Chief Financial Officer
Paul J. Gaffney	52	Executive Vice President - Chief Technology Officer
John E. Hayes III	56	Senior Vice President - General Counsel and Secretary
Holly R. Tyson	47	Senior Vice President - Chief Human Resources Officer

Edward W. Stack has served as our Chairman and Chief Executive Officer since 1984 when our founder and Mr. Stack's father, Richard "Dick" Stack, retired from our then two-store chain. Mr. Stack has served us full-time since 1977 in a variety of positions, including President, Store Manager and Merchandise Manager.

Lauren R. Hobart has served as our President since May 2017 and was appointed to the Company's Board of Directors in January 2018. Ms. Hobart joined Dick's Sporting Goods in February 2011 as our Senior Vice President and Chief Marketing Officer. In September 2015, Ms. Hobart was promoted to Executive Vice President and Chief Marketing Officer and was promoted to Executive Vice President - Chief Customer & Digital Officer in April 2017. Prior to joining Dick's Sporting Goods, Ms. Hobart spent 14 years with PepsiCo, Inc., most recently serving as Chief Marketing Officer for its carbonated soft drink portfolio in the United States. During her career at PepsiCo, Ms. Hobart held several other significant marketing roles and also spent several years in strategic planning and finance. Prior to joining PepsiCo, Ms. Hobart worked in commercial banking for JP Morgan Chase and Wells Fargo Bank. Ms. Hobart formerly served as a member of the Board of Directors of Sonic Corp. (Nasdaq: SONC) from 2014 - 2018.

Lee J. Belitsky became our Executive Vice President - Chief Financial Officer in September 2016. Mr. Belitsky joined Dick's Sporting Goods in 1997 as Vice President - Controller and has held a number of roles at Dick's Sporting Goods. From September 2014 to September 2016, Mr. Belitsky served as Executive Vice President - Product Development and Planning, Allocations and Replenishment; from July 2013 to September 2014, Mr. Belitsky served as Senior Vice President - Product Development; from September 2011 to July 2013, he served as Senior Vice President - Chief Risk and Compliance Officer; from January 2010 to September 2011, he served as Senior Vice President - Strategic Planning and Analysis and Treasury Services; from February 2009 to January 2010, he served as Senior Vice President - Store Operations and Distribution / Transportation; from April 2006 to February 2009, he served as Senior Vice President - Distribution and Transportation; from December 2005 to April 2006, he served as Vice President - Treasurer; and from December 1997 to December 2005, he served as Vice President - Controller. Prior to joining Dick's Sporting Goods, Mr. Belitsky was the Chief Financial Officer of Domain, Inc., a Boston-based home furnishings retailer. He also served as Vice President - Controller and Treasurer with Morse Shoe, Inc. and as an Audit Manager with KPMG LLP.

Paul J. Gaffney joined Dick's Sporting Goods as Executive Vice President - Chief Technology Officer in November 2017. Prior to joining Dick's Sporting Goods, Mr. Gaffney served as Senior Vice President of Technology at The Home Depot, Inc. from August 2014 to November 2017. Prior to joining The Home Depot, Inc., Mr. Gaffney was the founding Chief Executive Officer of Keeps, Inc. from January 2014 to August 2014. Mr. Gaffney previously served as Chief Executive Officer of AAA of Northern California, Nevada, and Utah from October 2011 to October 2014, where he also served as Chief Operating Officer from June 2009 to October 2011. Mr. Gaffney held a variety of senior leadership roles in operations and technology at Deskstone, Inc., Staples, Inc., Charles Schwab & Co., and Office Depot from 1995 to 2011.

John E. Hayes III became our Senior Vice President - General Counsel and Secretary in January 2015. Prior to joining Dick's Sporting Goods, Mr. Hayes served as Senior Vice President and General Counsel of Coldwater Creek Inc. from February 2009 to September 2014. During his tenure with Coldwater Creek, Mr. Hayes also served as the Company's interim Chief Financial Officer from November 2009 to April 2010 and as Senior Vice President, Human Resources from April 2010 to May 2013. Prior to joining Coldwater Creek, Mr. Hayes was engaged for seventeen years in private law practice, most recently as a partner with Hogan & Hartson, LLP, from March 2003 to February 2009. Prior to his legal career, Mr. Hayes practiced as an accountant with KPMG LLP.



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Holly R. Tyson joined Dick's Sporting Goods as Senior Vice President - Chief Human Resources Officer in August 2016. Prior to joining Dick's Sporting Goods, Ms. Tyson served as the Chief Human Resources Officer at The Brink's Company from January 2012 to August 2016. Prior to joining The Brink's Company, Ms. Tyson was Vice President Human Resources U.S. Pharmaceuticals at Bristol-Myers Squibb from January 2010 to January 2012. During her tenure there, Ms. Tyson also served as Executive Director Worldwide Pharmaceuticals Talent and U.S. Pharmaceuticals Sales Learning, Director Human Resources U.S. Pharmaceuticals Sales Learning, Director Human Resources Cardiovascular Metabolics and Director Leadership and Change from 2004 to 2010. Prior to her joining Bristol-Myers Squibb, Ms. Tyson held various human resources and organizational development leadership roles at Alliance Consulting, Cigna Corporation and Accenture from 1994 to 2004.

ITEM 1A. RISK FACTORS

Risks and Uncertainties

Intense competition in the sporting goods industry and in retail could limit our growth and reduce our profitability.

The market for sporting goods retailers is highly fragmented and intensely competitive. Our current and prospective competitors include many large companies, some of which have greater market presence (both brick and mortar and online), name recognition and financial, marketing and other resources than we do. Further, the ability of consumers to compare prices in real-time through the use of smartphones and digital technology puts additional pressure on us to maintain competitive pricing. We compete with retailers from multiple categories and in multiple channels, including large formats; traditional and specialty formats; mass merchants; department stores and catalog; internet-based and direct-sell retailers; and vendors that sell directly to customers. Many factors affect the extent to which competition could affect our results, including as it re