DICKS SPORTING GOODS INC
Form 10-K
March 28, 2014

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 1, 2014
Commission File No. 001-31463
DICK'S SPORTING GOODS, INC.
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	16-1241537 (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
Common Stock, $0.01 par value	The New York Stock Exchange

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 þ No o
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 o No þ
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 þ No o
Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes þ No o
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. þ
Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Act (check one).

Large accelerated filer þ	Accelerated filer o	Non-accelerated filer o	Smaller reporting company o
	(Do not check if a smaller reporting company)		

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes o No þ
The aggregate market value of the voting common equity held by non-affiliates of the registrant was $5,218,689,431 as of August 2, 2013 based upon the closing price of the registrant's common stock on the New York Stock Exchange reported for August 2, 2013.

The number of shares of common stock and Class B common stock of the registrant outstanding as of March 21, 2014 was 98,943,880 and 24,900,870, respectively.
Documents Incorporated by Reference: Part III of this Form 10-K incorporates certain information from the registrant's definitive proxy statement for its Annual Meeting of Stockholders to be held on June 11, 2014 (the "2014 Proxy Statement").

Table of Contents

TABLE OF CONTENTS

Table of Contents

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, our expectations, our growth strategies, including our plans to open new stores, our efforts to increase profit margins and return on invested capital, plans to grow our private brand business, projections of our future profitability, results of operations, capital expenditures, plans to return capital to stockholders through dividends or share repurchases, our financial condition or other "forward-looking" information and include statements about revenues, earnings, spending, margins, costs, liquidity, store openings, eCommerce, operations, inventory, private brand products or our actions, plans or strategies.

The following factors, among others, in some cases have affected and in the future could affect our financial performance and actual results, and could cause actual results for fiscal 2014 and beyond to differ materially from those expressed or implied in any forward-looking statements included in this Annual Report on Form 10-K or otherwise made by our management:

- Our business is dependent on the general economic conditions in our markets and the ongoing economic and financial uncertainties may cause a decline in consumer spending;
- Intense competition in the sporting goods industry;
- Our ability to predict or effectively react to changes in consumer demand or shopping patterns;
- Lack of available retail store sites on terms acceptable to us, rising real estate prices and other costs and risks relating to our stores, or our inability to open new stores;
- Unauthorized disclosure of sensitive or confidential customer information;
- Risks associated with our private brand offerings, including product recalls and protection of proprietary rights;
- Our ability to access adequate capital to operate and expand our business and to respond to changing business and economic conditions;
- Risks and costs relating to changing laws and regulations affecting our business, including: consumer products; product liability; product recalls; and the regulation of and other hazards associated with certain products we sell, such as firearms and ammunition;
- Disruptions in our or our vendors' supply chain that could be caused by foreign trade issues, currency exchange rate fluctuations, increasing prices for raw materials and foreign political instability;
- Litigation risks for which we may not have sufficient insurance or other coverage, including risks relating to the sale of firearms and ammunition;

- Our relationships with our vendors, including: potential increases in the costs of their products and our ability to pass those cost increases on to our customers; their ability to maintain their inventory and production levels; and their ability or willingness to provide us with sufficient quantities of products at acceptable prices;
- The loss of our key executives, especially Edward W. Stack, our Chairman and Chief Executive Officer;
- Our ability to secure and protect our trademarks and other intellectual property and defend claims of intellectual property infringement;
- Disruption of or other problems with the services provided by our primary eCommerce services provider;

Table of Contents

- Disruption of or other problems with our information systems;
- Any serious disruption at our distribution facilities;
- Performance of professional sports teams, professional team lockouts or strikes or retirement or scandal involving sports superstars;
- The seasonality of our business;
- Regional risks because our stores are generally concentrated in the eastern half of the United States;
- Our pursuit of strategic investments or acquisitions, including costs and uncertainties associated with combining businesses and/or assimilating acquired companies;
- Our ability to meet our labor needs;
- We are controlled by our Chairman and Chief Executive Officer and his relatives, whose interests may differ from those of our other stockholders;
- Our current anti-takeover provisions, which could prevent or delay a change in control of the Company;
- Our current intention to issue quarterly cash dividends; and
- Our repurchase activity, if any, pursuant to our share repurchase program.

The foregoing and additional risk factors are described in more detail herein under Item 1A. "Risk Factors". 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. (referred to as the "Company" or in the first person notations "we", "us" and "our" unless specified otherwise) is an authentic full-line sports and fitness specialty omni-channel retailer offering a broad assortment of high quality, competitively-priced brand name sporting goods equipment, apparel and footwear in a specialty store environment. The Company also owns and operates Golf Galaxy, LLC, a golf specialty retailer ("Golf Galaxy"). 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 build leading brands that serve and inspire athletes and outdoor enthusiasts around the world to achieve their personal best; create value for our shareholders through the relentless improvement of everything we do; and make a lasting impact in our communities through sport.

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 www.DicksSportingGoods.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 filed 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.

Table of Contents

As of February 1, 2014, the Company operated 558 Dick's Sporting Goods stores in 46 states and 79 Golf Galaxy stores in 29 states and eCommerce websites for Dick's Sporting Goods and Golf Galaxy. The Company also operated two Field & Stream stores in two states and three True Runner stores in three states as of February 1, 2014.

Business Strategy

The key elements of our business strategy are:

Authentic Sporting Goods Retailer. Our history and core foundation is as a retailer of high-quality authentic athletic equipment, apparel and footwear, 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 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.

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

Our customers may research products online, then visit a store to experience the merchandise and consult with one of our in-store experts, such as a PGA golf professional, certified fitness trainer or bicycle mechanic. Other customers may be inspired by one of our digital advertisements on their mobile device, visit our store to test the merchandise by utilizing such features as the golf hitting bay, archery lane or trying a pair of running shoes on the treadmill and complete the purchase in the store or later on their tablet device.

We believe that leveraging all of our sales channels to deliver a consistent, seamless and high-quality customer experience across our store, on the web and via mobile technology, will differentiate us from our online-only competitors. As a result, we are upgrading website functionality, expanding assortment and content and investing in new capabilities to maximize device shift and leverage our store network to provide customers with an enhanced shopping experience that will enable our customers to buy and receive products where, when and how they want. We are also planning the development of an internal eCommerce platform that will allow us to fully control our customer experience and maximize profitability, while continuing store growth. We believe our store base is a competitive advantage to our online-only competitors, as our physical presence allows us to better serve our customers, whether through the convenience of accepting in-store returns or exchanges, or expediting fulfillment of eCommerce orders. The primary factors that have historically influenced our profitability and success have been the growth in our number of stores and selling square footage, positive same store sales and our strong gross profit margins. We have grown from 398 Dick's Sporting Goods stores at the end of fiscal 2008 to 558 Dick's Sporting Goods stores at the end of fiscal 2013. We seek to expand our presence through opening of new stores and have the potential to reach approximately 1,100 Dick's Sporting Goods locations, including smaller-market locations across the United States.

We also make continued investments in our store locations in order to maintain our brand standards and improve our customers' shopping experience, such as our shared service footwear models, which have generated higher same store sales and sales per transaction than our full-service model. The Company had 218 and 174 shared service footwear models at the end of fiscal 2013 and 2012, respectively.

Brand Partnerships. We carry a wide variety of well-known brands, including adidas, Asics, Callaway Golf, Columbia, Nike, Remington, TaylorMade-adidas Golf, The North Face and Under Armour. In addition to the cost efficiencies of shared investments with our brand partners, we seek to leverage our partnerships to offer authenticity and credibility to our customers, while differentiating ourselves from our competitors. We partner with our brands on important marketing initiatives and product launches, in addition to leveraging athletes that these brands bring to us for our marketing campaigns. Our brand partnerships also provide us with access to exclusive products and allow us to collaboratively develop enhancements that differentiate our customers' shopping experience, such as our brand shops, which provide our customers with a wider and deeper selection of products from our key brands and co-branded microsites to enhance our customers' online experience.

Table of Contents

The following table represents the Company's strategic brand shops for the periods presented:

	Fiscal Year	
Brand Shops	2013	2012
Nike	285	171
Under Armour	238	107
The North Face	90	91

Private Brands. We also offer a wide variety of private brands and products through exclusive licenses such as adidas baseball, DBX, Field & Stream, Fitness Gear, Maxfli, Nickent, Nishiki, Primed, Quest, Reebok (performance apparel), Slazenger (golf and racquets), Top-Flite, Umbro (performance equipment, footwear and apparel) and Walter Hagen. Our private brands and other exclusive products offer our customers products that they cannot find anywhere else. Our private brands also offer exceptional value and quality to our customers at each price point and obtain higher gross margins than we obtain on sales of comparable branded products. Our private brands are designed and developed to offer our customers differentiated assortments from our competitors. We have invested in a development and procurement staff that continually sources products targeted specifically to our customers' needs.

Retail Concept Development. In fiscal 2013, we opened two Field & Stream stores, a specialized outdoor concept, and one True Runner store, a specialized footwear concept. In fiscal 2014, we plan to open approximately eight additional Field & Stream locations. Our highly specialized concept stores enable us to connect with dedicated athletes and outdoor enthusiasts in their own element, giving us valuable insight into key merchandise categories that we can apply across our entire network. We also opened one new and relocated one Golf Galaxy store in fiscal 2013, based on our enhanced prototype, which delivers an innovative and highly interactive shopping experience. In fiscal 2014, we plan to open one new and relocate two Golf Galaxy stores based on the new prototype.

Strategic Marketing. Our historical marketing strategy was designed to promote our selection of brand name products at competitive prices and consisted largely of newspaper advertising supplemented by direct mail and seasonal use of local and national television and radio. While we continue to market our merchandise assortment through traditional channels, we have reduced our newspaper advertising and developed brand-building marketing campaigns focused on building passion and loyalty to the Dick's Sporting Goods brand. Additionally, we have shifted our advertising mix to include more digital marketing, including an increase in digital platforms as well as digital exclusive marketing campaigns.

Merchandising

We offer a full range of sporting goods and active apparel at each price point in order to appeal to the beginner, intermediate and enthusiast sports consumer. The merchandise we carry includes one or more of the leading manufacturers in each category and includes well-known brands such as adidas, Asics, Callaway Golf, Columbia, Nike, Remington, TaylorMade-adidas Golf, The North Face and Under Armour. Our merchandise also includes our private brands described above. Our objective is not only to carry leading brands, but to carry a full range of products within each brand, 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 we offer allows us to 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.

6

Table of Contents

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

	Fiscal Year		
Category	2013	2012	2011
Hardlines [1]	49 %	50 %	51 %
Apparel	30 %	29 %	29 %
Footwear	20 %	20 %	19 %
Other [2]	1 %	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 and shipping revenues.

Selling Channels

We offer products to our customers through our retail stores and our eCommerce operations. 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 in our stores, online and via mobile devices.

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 stores: Footwear, Team Sports, Outdoor Lodge, Golf, Fitness and Athletic Apparel. 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 Golf Galaxy stores are designed to create an exciting and interactive shopping environment for the golf enthusiast that highlights our extensive product assortments and value-added services.

Our primary prototype Dick's Sporting Goods store is a single-level store of approximately 50,000 square feet. We also have a prototype two-level store of approximately 80,000 square feet for those trade areas that have sufficient in-profile customers to support it as well as a smaller-market model that is approximately 35,000 to 40,000 square feet. Our primary prototype Golf Galaxy store is a single-level store that generally ranges from 13,000 to 18,000 square feet. In addition, we also have a prototype Golf Galaxy store of approximately 35,000 square feet, which includes more services and experiential shopping. In our Dick's Sporting Goods stores, approximately 83% of store space is used for selling and approximately 17% is used for backroom storage of merchandise, receiving and office space.

We seek to encourage cross-selling and impulse buying through the layout of our departments. We provide a bright, open shopping environment through the use of glass, lights and lower shelving that enable customers to see the array of merchandise offered throughout our stores. We avoid the warehouse store look featured by some of our large format competitors.

Store Associates and Operations. We strive to complement our merchandise selection and innovative store design with superior customer service. We seek to recruit sports enthusiasts to serve as sales associates because we believe that they are more knowledgeable and passionate about the products they sell. For example, we currently employ PGA and LPGA golf professionals to work in our Dick's Sporting Goods golf departments and Golf Galaxy stores, bicycle mechanics to sell and service bicycles and certified fitness trainers to provide advice on the best fitness equipment for our customers. As of February 1, 2014, we employed 593 PGA and LPGA professionals in our Dick's Sporting Goods golf departments and Golf Galaxy stores. As of February 1, 2014, we also employed 679 bike mechanics and 490 certified fitness trainers. We believe that our associates' enthusiasm and ability to demonstrate and explain the advantages of the products lead to increased sales. We believe our prompt, knowledgeable and enthusiastic service fosters the confidence and loyalty of our customers and differentiates us from other large format sporting goods stores.

Table of Contents

Our Dick's Sporting Goods stores are typically open seven days a week, generally from 9:00 a.m. to 9:30 p.m. Monday through Saturday and 10:00 a.m. to 7:00 p.m. on Sunday. Our Golf Galaxy stores are typically open seven days a week, generally from 10:00 a.m. to 9:00 p.m. Monday through Saturday and 10:00 a.m. to 6:00 p.m. on Sunday.

Support Services. 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 other large format sporting goods stores. At our Dick's Sporting Goods stores and Golf Galaxy stores, we offer a complete range of expert golf services, including custom club fitting, club repair and grip and shaft installation for drivers, irons and putters, and we also have certified club technicians on hand. We offer private lessons with our PGA and LPGA professionals in our Golf Galaxy Stores. Our Dick's Sporting Goods stores also feature bicycle maintenance and repair stations on the sales floor that allow our bicycle mechanics to service bicycles in addition to assisting customers. At our Dick's Sporting Goods stores, we also steam baseball gloves, string tennis racquets and lacrosse sticks, sharpen ice skates, provide home delivery and assembly of fitness equipment, provide scope mounting and bore sighting services, cut arrows, sell hunting and fishing licenses and fill CO_2 tanks for paintball.

Site Selection and Store Expansion. We select geographic markets and store sites based on a variety of factors, including demographic information, quality and nature of neighboring tenants, store visibility and accessibility. Key demographics include population density, household income, age and average number of occupants per household. In addition to these demographics, golf participation rates are considered in selecting sites for our Golf Galaxy stores. We seek to locate our Dick's Sporting Goods stores in primary retail centers with an emphasis on co-tenants, including major discount retailers such as Wal-Mart or Target, or specialty retailers from other categories such as Lowe's or Staples.

We seek to balance our expansion of Dick's Sporting Goods stores between new and existing markets. In our existing markets, we add stores as necessary to cover appropriate trade areas. Clustering stores allows us to take advantage of economies of scale in advertising, promotion, distribution and supervisory costs. We seek to locate stores within separate trade areas within each metropolitan area and expand in geographically contiguous areas, in order to establish long-term market penetration and build on our experience in the same or nearby regions. We believe that local knowledge is an important part of success. In considering new regions, we locate our stores in areas we believe are underserved. In addition to larger metropolitan areas, we also target smaller population centers in which we locate single stores, generally in regional shopping centers with a wide regional draw.

The following table summarizes store openings and closings for 2013 and 2012:

	Fiscal 2013			Fiscal 2012		
	Dick's Sporting Goods	Golf Galaxy / Specialty Store Concepts [(1)]	Total	Dick's Sporting Goods	Golf Galaxy / Specialty Store Concepts [(1)]	Total
Beginning stores	518	83	601	480	81	561
New stores:						
Single-level stores	40	4	44	37	2	39
Two-level stores	—	—	—	1	—	1
Total new stores	40	4	44	38	2	40
Ending stores	558	87	645	518	83	601
Closed stores	—	3	3	—	—	—
Ending stores	558	84	642	518	83	601
Remodeled stores	4	—	4	—	—	—
Relocated stores	1	1	2	5	1	6

(1) Includes the Company's Field & Stream and True Runner stores. As of February 1, 2014, the Company operated two Field & Stream stores and three True Runner stores.

Future openings will depend upon several factors, including but not limited to general economic conditions, consumer confidence in the economy, unemployment trends, interest rates and inflation, the availability of retail store sites on acceptable terms, real estate prices and the availability of adequate capital. Because our new store openings depend on many factors, they are subject to risks and uncertainties as described below within Item 1A. "Risks Factors".

Table of Contents

eCommerce:

Through our Dick's Sporting Goods and Golf Galaxy websites, we seek to provide our customers with in-depth product knowledge and the ability to shop with us at any time. We continue to develop our online content and capabilities to enhance the online experience and fully integrate our online business with our 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 the ability to ship orders placed online from our retail locations, which reduces delivery times for online orders and improves inventory productivity. We have recently added capability for our customers to buy merchandise online and pick it up in store. In fiscal 2013, our eCommerce business accounted for approximately 8% of our total sales.

Marketing and Advertising

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 media plan is primarily comprised of television, direct mail, digital and print. In fiscal 2013, we continued to place special emphasis on growing the Dick's Sporting Goods brand through fully integrated campaigns across all media types. We continue to optimize our media mix by shifting to more efficient and effective marketing channels and by leveraging extensive customer relationship marketing data from our growing "ScoreCard Rewards" and "Advantage Club" loyalty programs. The Company is also actively involved in communities, sponsoring thousands of teams at the local level.

Information Systems

Our core merchandising, allocation and replenishment systems are from JDA Software Group, Inc. ("JDA"). The data generated by these systems are consolidated into a comprehensive data warehouse application that was purpose-built to provide near real-time performance information across a broad spectrum of critical metrics for our business. All functions of the business have access to highly accurate and consistent information related to the various components of sales, inventory and margin from department to SKU level.

Our end-to-end supply chain management suite of software applications is from Manhattan Associates and operates our four distribution centers from the central computing complex in our corporate headquarters, which we refer to as the Store Support Center ("SSC"). The Company's Financial and Human Resource Management systems are PeopleSoft applications provided by Oracle. All third party applications are integrated and enhanced using state-of-the-art software tools and techniques developed internally.

The enterprise data center located within our SSC is equipped with mainframe and mid-range computers and storage systems from IBM, integrated with voice and data networking communication equipment from Cisco. This facility has been built to support the future growth of the Company. The Company has also established a separate data center to serve as the Company's disaster recovery redundancy location.

Purchasing and Distribution

We purchase merchandise from approximately 1,400 vendors. During fiscal 2013, Nike and Under Armour, our largest vendors, represented approximately 18% and 11%, respectively, of our merchandise purchases. No other vendor represented 10% or more of our fiscal 2013 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 operate four regional distribution centers: a 725,000 square foot distribution center in Plainfield, Indiana, a 657,000 square foot distribution center near Atlanta, Georgia, which will be expanded by 257,000 square feet during fiscal 2014, a 601,000 square foot distribution center in Smithton, Pennsylvania and a 624,000 square foot distribution center in Goodyear, Arizona. Vendors directly 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.

Table of Contents

Competition

The market for sporting goods retailers is highly fragmented and intensely competitive. The retail sporting goods industry comprises five principal categories:

- Large Format Sporting Goods Stores and Chains;
- Traditional Sporting Goods Stores and Chains;
- Specialty and Vendor Stores;
- Mass Merchants and Department Stores; and
- Internet and Catalog-Based Retailers.

Large Format Sporting Goods Stores

The large format stores generally range from 20,000 to 100,000 square feet and offer a broad selection of sporting goods merchandise. We believe that our strong performance with the large format store in recent years is due in part to our unique approach in blending the best attributes of a large format store with the best attributes of a specialty shop.

Traditional Sporting Goods Stores

These stores generally range from 5,000 to 20,000 square feet and are frequently located in regional malls and multi-store shopping centers. Although they typically carry a varied assortment of merchandise, these stores offer a more limited product assortment than our stores. We believe these stores do not cater to the sports enthusiast.

Specialty and Vendor Stores

These stores generally range from 2,000 to 20,000 square feet and typically focus on a specific category, such as athletic footwear, or an activity, such as golf or skiing. Certain specialty stores that focus on a group of related activities can have significantly larger square footage footprints and be designed as destination stores. In addition, several sporting goods brands, many of which we sell in our stores, also sell their products direct to consumers through their own retail stores and internet operations. While these stores may offer a deep selection of products within their specialty or across a single brand, they lack the wide range of products or brand selection that we offer. We believe prices at these stores typically tend to be higher than prices at the large format sporting goods stores and traditional sporting goods stores.

Mass Merchants and Department Stores

These stores generally range from 50,000 to over 200,000 square feet and are primarily located in shopping centers, freestanding sites or regional malls. Sporting goods merchandise and apparel represent a small portion of the total merchandise in these stores and the selection is often more limited than in other sporting goods retailers. Although Wal-Mart is currently the largest retailer of sporting goods as measured by sales, we believe that mass merchants' limited selection, particularly with well-known brand names, combined with the reduced service levels typical of a mass merchandiser, limit their ability to meet the needs of sporting goods customers. Department stores may have more selection from well-known brands in athletic apparel and footwear than mass merchants, but do not typically carry hardline equipment for the sporting goods customer.

Internet and Catalog-Based Retailers

These retailers either focus on a specific category or activity or sell a full line of sporting goods through the use of the Internet and/or catalogs. We believe that the relationships we have developed with our suppliers and customers through our retail stores, our growing eCommerce business, our omni-channel capabilities and our merchandise offerings, including a wide range of exclusive and private brand products, provide us with a significant advantage over Internet-only and catalog-based retailers.

Employees

As of February 1, 2014, we employed approximately 11,200 full-time and 23,100 part-time associates. Due to the seasonal nature of our business, total employment figures fluctuate throughout the year and typically peaks 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.

Proprietary Rights

Various versions of each of "Acuity", "DBX", "Dick's", "Dick's Sporting Goods", "Field & Stream", "Fitness Gear", "Golf Galaxy", "Maxfli", "Nickent", "Nishiki", "Primed", "Quest", "ScoreCard", "ScoreCard Rewards", "Top-Flite" and "Walter Hagen" are registered as a service mark or trademark with the United States Patent and Trademark Office and "DicksSportingGoods.com", "Dicks.com" and "GolfGalaxy.com" are registered as our domain names. In addition, we have numerous pending applications for trademarks. Our trademarks and other intellectual property are subject to risks and uncertainties that are discussed within Item 1A. "Risk Factors". We have entered into licensing agreements for names that we do not own, which provide for exclusive rights to use names such as "adidas" (baseball only), "Slazenger" (golf and racquets), "Louisville Slugger" (hosiery only), "Reebok" (performance apparel) and "Umbro" (performance soccer equipment, footwear and apparel) for specified product categories and, in some cases, specified channels. 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 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, 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, requires us to expend considerable resources.

Executive Officers of the Company

The current executive officers of the Company, and their prior business experience, are as follows:

Edward W. Stack – 59, 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.

Joseph H. Schmidt – 54, became our President and Chief Operating Officer in February 2009. In 2008, Mr. Schmidt served as Executive Vice President and Chief Operating Officer responsible for all aspects of Store Operations, Real Estate and Development, Distribution and Transportation. Previously, Mr. Schmidt was our Executive Vice President - Operations, and before that Senior Vice President - Store Operations, a position he held beginning in 2005. Mr. Schmidt was Vice President - Store Operations beginning in 2001. Mr. Schmidt joined us in 1990 and has held various positions in store operations. From 1981 to 1990, he held various positions in store operations for Ames Department Stores, Inc.

André J. Hawaux – 53, became our Executive Vice President - Finance, Administration and Chief Financial Officer in June 2013. Prior to joining the Company, Mr. Hawaux served as the President, Consumer Foods at ConAgra Foods, Inc., one of North America's leading packaged food companies, since 2009. From 2006 to 2009, Mr. Hawaux served as ConAgra Foods' Executive Vice President, Chief Financial Officer where he was responsible for the company's Finance and Information System and Services organizations. Prior to ConAgra Foods, Mr. Hawaux served as general manager of a large U.S. division of PepsiAmericas and previously served as Chief Financial Officer for Pepsi-Cola North America and Pepsi International's China business unit. Mr. Hawaux is also a Trustee of Southern New Hampshire University and a member of the Board of Directors of PulteGroup, Inc. (NYSE: PHM).

John G. Duken – 53, became our Executive Vice President, Global Merchandising in February 2012. For the previous four years, Mr. Duken served as Senior Vice President, Planning and Allocation. Prior to that role, he spent seven years in our store organization as a Regional Vice President and ultimately as Vice President - Operations over all regions. Mr. Duken joined Dick's Sporting Goods in 1999 as Vice President - Operations of dsports.com. Before joining Dick's Sporting Goods, Mr. Duken was Vice President of Operations for Good Guys, a specialty retailer of consumer electronics from 1994 to 1999.

Table of Contents

Prior to that, he was the General Operations Manager for Circuit City from 1984 to 1994. Mr. Duken holds a B.S. in Business Administration from the University of Southern California, Marshall School of Business.

David I. Mossé – 40, became our Chief Strategy Officer and General Counsel in February 2013. Previously, Mr. Mossé was our Senior Vice President - General Counsel and Corporate Secretary since 2010. Prior to joining the Company, Mr. Mossé served as Senior Counsel, Chief Compliance Officer and Investment Team Member of Trian Fund Management, LP, a private investment firm based in New York, NY, since 2005. Prior to that, he served as Vice President and Assistant General Counsel of Triarc Companies, Inc. (NYSE: WEN), a publicly traded holding company that, at the time, owned several operating businesses including the Arby's restaurant system and Deerfield Capital Management. Mr. Mossé also spent several years as an attorney with the law firms Cravath, Swaine & Moore in New York, NY, where he began his career, and the Venture Law Group in Menlo Park, California. Mr. Mossé earned his BA from Duke University and his Juris Doctor from New York University School of Law.

Joseph R. Oliver – 54, has served as our Senior Vice President and Chief Accounting Officer since April 2011 and prior to that served as our Controller since November 2009. Previously, Mr. Oliver served as our Vice President and Controller since February 2006 and as our Director of Accounting from May 2000 to February 2006. Prior to joining Dick's Sporting Goods, Mr. Oliver was employed by Dominion Resources, Inc. (NYSE: D) from 1983 to 2000 in various finance functions, most recently as Director of Accounting.

Lauren R. Hobart – 45, joined Dick's Sporting Goods in February 2011 as our Senior Vice President and Chief Marketing
Officer. Prior to that, Ms. Hobart spent 14 years with PepsiCo, Inc. (NYSE: PEP), 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. Prior to joining PepsiCo, Ms. Hobart worked in commercial banking for JP Morgan Chase and Wells Fargo Bank. Ms. Hobart also serves as a member of the Board of Directors of Sonic Corp. (Nasdaq: SONC).

Michele B. Willoughby – 48, has served as our Executive Vice President - Inventory, Supply Chain and eCommerce since July 2013. Prior to that she served as our Senior Vice President - eCommerce since 2010. She joined Dick's Sporting Goods in 2004 as Vice President, Planning and Allocation. Ms. Willoughby was promoted to Senior Vice President, Supply Chain in 2009 and Senior Vice President - eCommerce in 2010. Prior to joining Dick's Sporting Goods, Ms. Willoughby was employed by Kohl's Department Stores (NYSE: KSS), where she held various positions in Merchandise Planning and Allocation from 1997 to 2004, most recently as Vice President, Planning and Allocation.

ITEM 1A. RISK FACTORS

Risks and Uncertainties

Our business is dependent on the general economic conditions in our markets and economic and financial uncertainties may cause a decline in consumer spending that may adversely affect the Company's business, operations, liquidity, financial results and stock price.

Our operating results are affected by the relative condition of the U.S. economy. All of our stores are currently located within the United States, making our operating results highly dependent on U.S. consumer confidence and the health of the U.S. economy. If the U.S. economy experiences a downturn or prolonged period of slow growth or negative growth, our results of operations may be negatively impacted.

As a business that depends on consumer discretionary spending, the Company may be adversely affected if our customers reduce, delay or forego their purchases of our products as a result of the overall perceived economic environment, lower consumer confidence and uncertainty due to political, national or international security concerns. Decreases in same store sales, customer traffic or average value per transaction negatively affect the Company's financial performance, and a prolonged period of depressed consumer spending could have a material adverse effect on our business. Promotional activities and decreased demand for consumer products, particularly higher-end products, could affect profitability and margins. In addition, adverse economic conditions may result in an increase in our operating expenses due to, among other things, higher costs of labor, energy, equipment and facilities. The effect of any economic downturn on other nearby retailers may adversely affect us. For example, if an economic downturn leads to one or more vacancies in a shopping plaza, traffic to our store in that location may be adversely impacted. Any of the foregoing factors could have a material adverse effect on our business, results of operations and financial condition and could adversely affect our stock price.

Table of Contents

Intense competition in the sporting goods industry 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, name recognition and financial, marketing and other resources than us. We compete, directly or indirectly, with retailers from multiple categories, including stores and chains utilizing large format, traditional and specialty formats, mass merchants, department stores and catalog, Internet-based and direct-sell retailers. We compete principally based on customer service, store location and appearance, and assortment, quality and availability of merchandise.

Pressure from our competitors could require us to reduce our prices or increase our spending for advertising and promotion. Increased competition in our current markets or the adoption or proliferation by competitors of innovative store formats, aggressive pricing strategies and retail sale methods, such as the Internet, could cause us to lose market share and could have a material adverse effect on our business, financial condition, results of operations and cash flows.

In addition, as the popularity and use of Internet sites continue to increase, our business faces increased competition from various domestic and international sources, including our suppliers. We may require significant capital in the future to sustain or grow our business, including our store and eCommerce operations, and there is no assurance that cash flow from operations will be sufficient to meet those needs or that additional sources of capital will be available on acceptable terms or at all.

If we are unable to predict or effectively react to changes in consumer demand or shopping patterns, we may lose customers and our sales may decline.

Our success depends in part on our ability to anticipate and respond in a timely manner to changing consumer demand, preferences and shopping patterns regarding sporting goods. Our products must appeal to a broad range of consumers whose preferences cannot be predicted with certainty and are subject to continual change and evolution. We often make commitments to purchase products from our vendors several months in advance of the proposed delivery. If we misjudge the market for our new merchandise our sales may decline significantly. We may overstock unpopular products and be forced to take significant inventory markdowns or miss opportunities for other products, both of which could have a negative impact on our profitability. Conversely, shortages of items that prove popular could also be detrimental to our net sales. A major shift in consumer demand away from sporting goods generally could also have a material adverse effect on our business, results of operations and financial condition. Failure to timely identify or effectively respond to changing consumer tastes, preferences and spending patterns could negatively affect our relationship with our customers, the demand for our products and services and our market share.

In addition, our customers are increasingly using computers, tablets, mobile phones and other devices to shop in our stores and online for our products. Omni-channel retailing is rapidly evolving and we must keep pace with consumer preferences and expectations. There are various risks relating to omni-channel retailing, including the need to keep pace with rapid technological change, internet security risks, risks of systems failure or inadequacy and increased competition. Further, governmental regulation of Internet-based commerce continues to evolve in areas such as taxation, privacy, data protection, copyrights, patents, mobile communications and the provision of online payment services. Unfavorable changes to regulations in these areas could harm our business.

Lack of available retail store sites on terms acceptable to us, rising real estate prices and other costs and risks relating to new store openings could severely limit our growth opportunities.

Our strategy includes opening stores in new and existing markets. We must successfully choose store sites, execute real estate transactions on terms that are acceptable to us, hire competent personnel and effectively open and operate these new stores. Our plans to increase our number of retail stores will depend in part on the availability of existing retail stores or store sites. A lack of available financing on terms acceptable to real estate developers may adversely affect the number or quality of retail sites available to us. We cannot provide assurance that stores or sites will be available to us, or that they will be available on terms acceptable to us. If additional retail store sites are unavailable on acceptable terms, we may not be able to carry out a significant part of our growth strategy. Rising real estate costs and acquisition, construction and development costs could also inhibit our ability to grow. If we fail to locate desirable sites, obtain lease rights to these sites on terms acceptable to us, hire adequate personnel and open and effectively operate these new stores, our financial performance could be adversely affected.

Table of Contents

Unauthorized disclosure of sensitive or confidential customer information could harm the Company's business and standing with our customers.

The protection of our customer, associate and Company data is critical to us. The Company relies on commercially available systems, software, tools and monitoring to provide security for processing, transmission and storage of confidential customer information, such as payment card and personally identifiable information. Increasing costs associated with information security - such as increased investment in technology, the costs of compliance with consumer protection laws and costs resulting from consumer fraud - could negatively impact our business and results of operations. Additionally, the success of our online operations depends upon the secure transmission of confidential information over public networks, including the use of cashless payments. While we have taken significant steps to protect customer and confidential information, the intentional or negligent actions of employees, business associates or third parties may undermine our security measures. As a result, unauthorized parties may obtain access to our data systems and misappropriate confidential data. There can be no assurance that advances in computer capabilities, new discoveries in the field of cryptography or other developments will prevent the compromise of our customer transaction processing capabilities and personal data. Because the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems, change frequently and often are not recognized until launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures. A party that is able to circumvent our security measures could misappropriate our or our users' proprietary information and cause interruption in our operations. Any compromise of our data security could result in a violation of applicable privacy and other laws or standards, significant legal and financial exposure beyond the scope or limits of insurance coverage, increased operating costs associated with remediation, equipment acquisitions or disposal and added personnel, and a loss of confidence in our security measures, which could harm our business or investor confidence. Data security breaches may also result from non-technical means, for example, actions by an employee. Any security breach involving the misappropriation, loss or other unauthorized disclosure of confidential information could attract a substantial amount of media attention, damage our reputation, expose us to risk of litigation and liability, disrupt our operations and harm our business.

Our private brand offerings expose us to various risks.

In addition to brand name products, we offer our customers private brand products that are not available from other retailers. We expect to continue to grow our exclusive private brand offerings through a combination of brands that we own and the ones that we license from third parties. We have invested in our development and procurement resources and marketing efforts relating to these private brand offerings. Although we believe that our private brand products offer value to our customers at each price point and provide us with higher gross margins than comparable products we sell, the expansion of our private brand offerings also subjects us to certain specific risks in addition to those discussed elsewhere in this section, such as: potential mandatory or voluntary product recalls; our ability to successfully protect our proprietary rights (e.g., defending against counterfeit, knock offs, grey-market, infringing or otherwise unauthorized goods); our ability to successfully navigate and avoid claims related to the proprietary rights of third parties; our ability to successfully administer and comply with obligations under license agreements that we have with the licensors of brands, including in some instances certain sales minimums that if not met could cause us to lose the licensing rights or pay damages; and other risks generally encountered by entities that source, sell and market exclusive branded offerings for retail. An increase in sales of our private brands may also adversely affect sales of our vendors' products, which may, in turn, adversely affect our relationship with our vendors. Our failure to adequately address some or all of these risks could have a material adverse effect on our business, results of operations and financial condition.

We rely on a single third-party provider to maintain and operate certain aspects of our www.DicksSportingGoods.com operations, and disruptions with the provider or in the services it provides to us could materially affect our reputation, operations or financial results.

We have contracted with a single third party to operate and host our DicksSportingGoods.com eCommerce website and provide related fulfillment and customer service. We rely on that party's operational, privacy and security procedures and controls to operate and host our DicksSportingGoods.com eCommerce business. Failure by such third party to adequately service these aspects of our DicksSportingGoods.com eCommerce business could result in a prolonged disruption that affects our customers' ability to utilize our website or receive product in a timely manner. As a result, we may lose customer sales and/or experience increased costs, which could materially affect our reputation, operations or financial results.

Table of Contents

Our ability to operate and expand our business and to respond to changing business and economic conditions will be dependent upon the availability of adequate capital. The terms of our senior secured revolving credit facility impose certain restrictions that may impair our ability to access sufficient capital.

The operation of our business, the rate of our expansion and our ability to respond to changing business and economic conditions depend on the availability of adequate capital, which in turn depends on cash flow generated by our business and, if necessary, the availability of equity or debt capital. We cannot provide assurance that our cash flow will be sufficient to meet these needs or that we would be able to obtain equity or debt capital on acceptable terms or at all. Our current senior secured revolving credit facility contains provisions that limit our ability to incur additional indebtedness or make substantial asset sales, which might otherwise be used to finance our operations. In the event of our insolvency, liquidation, dissolution or reorganization, the lenders under our senior secured revolving credit facility would be entitled to payment in full from our assets before distributions, if any, were made to our stockholders.

If we are unable to generate sufficient cash flows from operations in the future, and if availability under our current senior secured revolving credit facility is not sufficient, we may have to obtain additional financing. We cannot provide assurance that we could obtain refinancing or additional financing on favorable terms or at all. Our liquidity or access to capital could also be adversely affected by unforeseen changes in the financial markets and global economy.

We are subject to costs and risks associated with increased or changing laws and regulations affecting our business, including those relating to the sale of consumer products.

We operate in a complex regulatory and legal environment that exposes us to compliance and litigation risks and that could materially affect our operations and financial results. These laws may change, sometimes significantly, as a result of political, economic or social events. Some of the federal, state or local laws and regulations that affect us include:

- those relating to consumer products, product liability or consumer protection, including regulation by the Consumer Product Safety Commission and similar state regulatory agencies;

- those relating to the manner in which we advertise, market or sell our products;

- labor and employment laws, including wage and hour laws;

- those that prohibit, limit or impose additional actions or requirements to the sale in certain areas of certain products we offer, such as firearms, ammunition or knives;

- tax laws or interpretations thereof;

- data protection and privacy laws and regulations;

- environmental laws;

- customs or import laws and regulations;

- securities and exchange laws and regulations;

- intellectual property laws and regulations; and

- those relating to the provision of online payment services and use of credit cards by our customers.

Our policies and procedures are designed to comply with all applicable laws, accounting and reporting requirements, tax rules and other regulations and requirements, including those imposed by the Securities and Exchange Commission, New York Stock Exchange, and foreign countries, as well as applicable trade, labor, healthcare, privacy, anti-bribery and corruption and merchandise laws. The complexity of the regulatory environment in which we operate and the related cost of compliance are both increasing due to additional or changing legal and regulatory requirements, our ongoing expansion into new markets and new channels and the fact that foreign laws occasionally conflict with domestic laws. In addition to potential damage to our reputation and brand, failure to comply with applicable federal, state and local laws and regulations such as those outlined above may result in our being subject to claims, lawsuits, fines and adverse publicity that could have a material adverse effect on our business, results of operations and financial condition.

Table of Contents

We depend on our suppliers, distributors and manufacturers to provide us with sufficient quantities of products in a timely fashion.

We purchase merchandise from approximately 1,400 vendors. In fiscal 2013, purchases from Nike and Under Armour represented approximately 18% and 11%, respectively, of our merchandise purchases. Although in fiscal 2013 purchases from no other vendor represented 10% or more of our total purchases, our dependence on our principal suppliers involves risk. We generally do not have long-term written contracts with our major suppliers that would require them to continue supplying us with merchandise. If any of our key vendors fails to supply us with products or continue to develop new products that create consumer demand, we may not be able to meet the demands of our customers and our revenue could materially decline. Likewise, the formation or strengthening of business partnerships between our vendors and our competitors could directly alter the composition of products and level of customer purchasing within our stores and online, which could have a material adverse impact on our operating results. If there is a disruption in supply from a principal supplier or distributor, we may be unable to obtain the merchandise or obtain an adequate quantity that we desire to sell and that consumers desire to purchase. Moreover, many of our suppliers provide us with incentives, such as return privileges, volume purchasing allowances and cooperative advertising. A decline or discontinuation of these incentives could reduce our profit margins. Further, to the extent our suppliers are affected by economic uncertainty and other concerns relating to global economic conditions, there may be an adverse impact with respect to their respective inventory and production levels, customer incentives and vendor allowances, product quality, or ability to continue operations, all of which could ultimately have an adverse impact on our supply chain.

We may be subject to various types of litigation and other claims, and our insurance may not be sufficient to cover damages related to those claims.

From time to time the Company or its subsidiaries may be involved in lawsuits or other claims arising in the course of business, including those related to federal or state wage and hour laws, product liability, consumer protection, advertising, employment, intellectual property, tort and other matters. We may also be subject to lawsuits relating to the design, manufacture or distribution of our private brand products.

In addition, although we do not sell assault weapons or automatic firearms, we do sell hunting rifles, semi-automatic hunting rifles and ammunition, and in our Field & Stream stores, handguns which are products that are associated with an increased risk of injury and related lawsuits with respect to our compliance with Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) or state laws or regulations. In addition, any improper or illegal use by our customers of ammunition or firearms sold by us could have a negative impact on our reputation and business.

We may incur losses relating to claims filed against us, including costs associated with defending against them, and there is risk that any such claims or liabilities will exceed our insurance coverage, or affect our ability to retain adequate liability insurance in the future. Although we have entered into product liability indemnity agreements with many of our vendors and manufacturers, we cannot provide assurance that we will be able to collect payments sufficient to offset product liability losses or, in the case of our private brand products, where almost all of the manufacturing occurs outside the United States, that we will be able to collect anything at all. Even if a product liability claim is unsuccessful or is not fully pursued, the negative publicity surrounding any such assertions could adversely affect our reputation with our customers. Due to the inherent uncertainties of litigation and other claims, we cannot accurately predict the ultimate outcome of any such matters.

If our product costs are adversely affected by foreign trade issues, currency exchange rate fluctuations, increasing prices for raw materials, political instability or other reasons, our sales and profitability may suffer.

We believe that a significant portion of the products that we purchase, including those purchased from domestic suppliers, is manufactured abroad in countries such as China, Taiwan and South Korea. In addition, most of our private brand merchandise is manufactured abroad. Foreign imports subject us to risk relating to changes in import duties, quotas, loss of "most favored nation" status with the U.S., shipment delays and shipping port constraints, labor strikes, work stoppages or other disruptions, freight cost increases and economic uncertainties. In addition, the U.S. government periodically considers other restrictions on the importation of products obtained by our vendors and us. If any of these or other factors were to cause a disruption of trade from the countries in which our vendors' supplies or our private brand products manufacturers are located, our inventory levels may be reduced or the cost of our products may increase. In addition, to the extent that any foreign manufacturers from whom we directly or indirectly purchase products utilize labor and other practices that vary from those commonly accepted in the U.S., we could be hurt by any resulting negative publicity or, in some cases, face potential liability. Also, the prices charged by foreign manufacturers may be affected by the fluctuation of their local currency against the U.S. dollar. We source goods from various countries, including China, and thus changes in the value of the U.S. dollar compared to other currencies may affect the costs of goods that we purchase.

Table of Contents

Our product costs are also affected in part by the prices for raw materials used in said products. A substantial rise in the price of one or more raw materials used in our products could dramatically increase the costs associated with the manufacturing of merchandise that we purchase from our vendors for sale in our stores, as well as products manufactured for our private brands, which could cause the cost of our products to increase and could potentially have a negative impact on our sales and profitability.

Historically, political or economic instability in the countries from which our products originate has not had a material adverse effect on our operations. However, we cannot predict the effect that future changes in economic or political conditions in such foreign countries may have on our operations.

The loss of our key executives, especially Edward W. Stack, our Chairman and Chief Executive Officer, could have a material adverse effect on our business due to the loss of their experience and industry relationships.

Our success depends on the continued services of our senior management, particularly Edward W. Stack, our Chairman and Chief Executive Officer. Mr. Stack also holds a majority of the voting power of our capital stock, and has been operating the Company since 1984. Mr. Stack possesses detailed and in-depth knowledge of the issues, opportunities and challenges facing the Company and its businesses. If we were to lose any key senior executive, especially Mr. Stack, our business could be materially adversely affected.

Our inability or failure to protect our intellectual property rights, or any claimed infringement by us of third party intellectual rights could have a negative impact on our operating results.

Our trademarks, service marks, copyrights, patents, trade secrets, domain names and other intellectual property are valuable assets that are critical to our success. Effective trademark and other intellectual property protection may not be available in every country in which our products are manufactured or may be made available. The unauthorized reproduction or other misappropriation of our intellectual property could diminish the value of our brands or goodwill and cause a decline in our revenue. In addition, any infringement or other intellectual property claim made against us, whether or not it has merit, could be time-consuming to address, result in costly litigation, cause product delays, require us to enter into royalty or licensing agreements or result in our loss of ownership or use of the intellectual property. As a result, any such claim or our failure to protect our intellectual property could have an adverse effect on our operating results.

Problems with our information system software could disrupt our operations and negatively impact our financial results and materially adversely affect our business operations.

We utilize a number of third party information systems for core system needs of our business. For example, our Dick's Sporting Goods stores and Golf Galaxy stores utilize a suite of applications from JDA for our core merchandising, allocation and replenishment systems. These systems, if not functioning properly, could disrupt our operations, including our ability to track, record and analyze the merchandise that we sell, process shipments of goods, process financial information or credit card transactions, deliver products or engage in similar normal business activities. Any material disruption, malfunction or other similar problems in or with our core information systems could negatively impact our financial results and materially adversely affect our business operations.

We may be unable to attract, train, engage and retain qualified leaders and associates.

The training and development of our future leaders and key personnel is important to our long-term success. If we do not effectively implement our strategic and business planning processes to attract, retain, train and develop future leaders, our business may suffer. In addition, stores depend significantly on our ability to hire and retain quality associates, including store managers and sales associates. We plan to expand our associate base to manage our anticipated growth. The market for non-entry level personnel, particularly for associates with retail expertise, is highly competitive. Additionally, our ability to maintain consistency in the quality of customer service in our stores is critical to our success. We are also dependent on the associates who staff our distribution centers, many of whom are skilled. We may be unable to meet our leadership needs or our labor needs. If we are unable to train and develop future leaders and key personnel, or hire and retain store-level and distribution center associates capable of providing a high level of customer service, our business could be materially adversely affected.

We rely on four distribution centers, and if there is a natural disaster or other serious disruption at one or more of these facilities, we may lose merchandise and be unable to effectively deliver it to our stores.

We currently operate a 725,000 square foot distribution center in Plainfield, Indiana, a 657,000 square foot distribution center near Atlanta, Georgia, a 601,000 square foot distribution center in Smithton, Pennsylvania and a 624,000 square foot

Table of Contents

distribution center in Goodyear, Arizona. Any natural disaster or other serious disruption to one of these facilities due to fire, tornado or any other cause could damage a material portion of our inventory or impair our ability to adequately stock our stores and process returns of products to vendors, and could negatively affect our sales and profitability. In addition, as we grow, we may require additional distribution capacity, which could come in the form of expanding existing facilities or opening alternative or additional facilities. Any future expansions or other openings, could affect us in ways we cannot predict.

Poor performance of professional sports teams within our core regions of operation, as well as professional team lockouts or strikes, retirement of sports superstars or scandals involving sports superstars could adversely affect our financial results.

We sell a significant amount of professional sports team merchandise, the sale of which may be subject to fluctuations based on the success or failure of such teams. The poor performance by the professional sports teams within our core regions of operations, as well as professional team lockouts and strikes, could cause our financial results to fluctuate accordingly year over year. In addition, to the extent we use sports superstars to market our products and advertise our stores, or we sell merchandise branded by one or more sports superstars, the retirement of such individuals or scandals they may be implicated in could negatively impact our financial results.

The relative seasonality of our operations, along with the current geographic concentrations of our Dick's Stores, exposes us to certain risks.

Our business is seasonal based on sports seasons. Furthermore, a majority of our Dick's Sporting Goods stores are located in the eastern half of the United States, which exposes us to various regional risks, including those relating to weather conditions. Many of our stores are located in geographic areas that experience seasonably cold weather, and we sell a significant amount of cold weather sporting goods and apparel. Our highest sales and operating income results historically occur during our fourth fiscal quarter, which is due, in part, to the holiday selling season and, in part, to our strong sales of cold weather sporting goods and apparel. Abnormally warm weather conditions could reduce our sales of these items and cause a decrease in our profitability. The fourth quarter generated approximately 31% of our net sales for fiscal 2013. Poor performance during our fourth quarter, whether because of a slow holiday selling season, unseasonable weather conditions, economic conditions or otherwise, could have a material adverse effect on our business, financial condition and operating results for the entire fiscal year. Additionally, abnormally wet or cold weather in the spring or summer months could reduce our sales of golf, team sports or other merchandise and cause a decrease in our profitability.

We may pursue strategic acquisitions or investments and the failure of an acquisition or investment to produce the anticipated results or the inability to fully integrate the acquired companies could have an adverse impact on our business.

We may from time to time acquire or invest in complementary companies or businesses. The success of such acquisitions or investments is based on our ability to make accurate assumptions regarding the valuation, operations, growth potential, integration and other factors relating to the respective business. There can be no assurance that our acquisitions or investments will produce the results that we expect at the time we enter into or we complete the transaction. For example, we may not be able to capitalize on previously anticipated synergies. Furthermore, acquisitions may result in dilutive issuances of our equity securities, the incurrence of debt, contingent liabilities, amortization expenses or write-offs of goodwill or other intangibles, any of which could harm our financial condition. We also may not be able to successfully integrate operations that we acquire, including their personnel, financial systems, supply chain and other operations, which could adversely affect our business. Acquisitions may also result in the diversion of our capital and our management's attention from other business issues and opportunities.

We are controlled by our Chairman and Chief Executive Officer and his relatives, whose interests may differ from other stockholders.

We have two classes of common stock: our common stock has one vote per share and our Class B common stock has 10 votes per share. As of February 1, 2014, Mr. Edward W. Stack, our Chairman and Chief Executive Officer, and his relatives controlled a majority of the combined voting power of our common stock and Class B common stock and would control the outcome of a vote on any corporate transaction or other matter submitted to our stockholders for approval, including mergers, consolidations and the sale of all or substantially all of our assets. The interests of Mr. Stack and his relatives may differ from the interests of our other stockholders and they may take actions with which our other stockholders disagree.

Table of Contents

Our anti-takeover provisions could prevent or delay a change in control of our Company, even if such change in control would be beneficial to our stockholders.

Provisions of our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws as well as provisions of Delaware law could discourage, delay or prevent a merger, acquisition or other change in control of our Company, even if such change in control would be beneficial to our stockholders. These provisions include: authorizing the issuance of Class B common stock; classifying the Board of Directors (the "Board") such that only one-third of directors are elected each year; authorizing the issuance of "blank check" preferred stock that could be issued by our Board of Directors to increase the number of outstanding shares and thwart a takeover attempt; prohibiting the use of cumulative voting for the election of directors; if our Class B common stock is no longer outstanding, prohibiting stockholder action by partial written consent and requiring all stockholder actions to be taken at a meeting of our stockholders or by unanimous written consent; and establishing advance notice requirements for nominations for election to the Board of Directors or for proposing matters that can be acted upon by stockholders at stockholder meetings.

In addition, the Delaware General Corporation Law, to which we are subject, prohibits us, except under specified circumstances, from engaging in any mergers, significant sales of stock or assets or business combinations with any stockholder or group of stockholders who owns 15% or more of our common stock.

We cannot provide any guaranty of future dividend payments or that we will continue to repurchase our common stock pursuant to our stock repurchase program.

Although our Board of Directors has indicated an intention to pay future quarterly cash dividends on our common stock, any determination to pay cash dividends on our common stock in the future will be based primarily upon our financial condition, results of operations, business requirements, and the continuing determination from our Board of Directors that the declaration of dividends is in the best interests of our stockholders and is in compliance with all laws and agreements applicable to the dividend. Furthermore, although we have authorized a five-year $1 billion share repurchase program, we are not obligated to make any purchases under the program and we may discontinue it at any time.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

On May 7, 2012, the Company purchased its corporate headquarters building in Coraopolis, Pennsylvania, pursuant to a purchase option included in its pre-existing lease agreement. The Company is a direct tenant of Allegheny County Airport Authority pursuant to an underlying ground lease. The property consists of approximately 670,000 square feet of office space. On November 1, 2013, the Company entered into an additional ground lease with the Allegheny County Airport Authority for the future expansion of its corporate headquarters, adjacent to its current headquarters location. The lease provides the Company with an additional 89 acres for expansion.

We currently lease a 725,000 square foot distribution center in Plainfield, Indiana, a 657,000 square foot distribution center near Atlanta, Georgia and a 601,000 square foot distribution center in Smithton, Pennsylvania. The terms of these leases expire in 2022, 2026 and 2025, respectively. On January 27, 2014, the Company amended its lease commitment for the Atlanta, Georgia distribution center to include a 257,000 square foot expansion of the facility. The Company also owns and operates a 624,000 square foot distribution center in Goodyear, Arizona.

We lease all of our stores. Initial lease terms are generally for ten years, and most leases contain multiple five-year renewal options and rent escalation provisions. We believe that our leases, when entered into, are at market rate rents. We generally select a new store site nine to 18 months before its opening. Our stores are primarily located in shopping centers in regional shopping areas, as well as in freestanding locations and in malls.

Table of Contents

As of February 1, 2014, we operated 642 stores in 46 states. The following table sets forth the number of stores by state:

State	Dick's Sporting Goods	Golf Galaxy / Specialty Store Concepts [1]	Total
Alabama	10	—	10
Arizona	7	—	7
Arkansas	3	—	3
California	32	2	34
Colorado	13	2	15
Connecticut	10	1	11
Delaware	3	1	4
Florida	24	3	27
Georgia	18	—	18
Idaho	2	1	3
Illinois	23	6	29
Indiana	17	1	18
Iowa	5	1	6
Kansas	8	1	9
Kentucky	10	2	12
Louisiana	6	—	6
Maine	4	—	4
Maryland	13	3	16
Massachusetts	18	2	20
Michigan	21	1	22
Minnesota	9	4	13
Mississippi	5	—	5
Missouri	13	3	16
Nebraska	3	1	4
Nevada	1	2	3
New Hampshire	4	—	4
New Jersey	17	4	21
New Mexico	3	—	3
New York	37	5	42
North Carolina	29	5	34
Ohio	38	8	46
Oklahoma	7	2	9
Oregon	9	—	9
Pennsylvania	37	7	44
Rhode Island	2	—	2
South Carolina	11	—	11
South Dakota	1	—	1
Tennessee	14	1	15
Texas	21	6	27
Utah	5	1	6
Vermont	2	—	2
Virginia	25	4	29
Washington	4	—	4

West Virginia	6	—	6
Wisconsin	7	4	11
Wyoming	1	—	1
Total	558	84	642

(1) Includes the Company's two Field & Stream and three True Runner stores.

Table of Contents

ITEM 3. LEGAL PROCEEDINGS

The Company and its subsidiaries are involved in various proceedings that are incidental to the normal course of their businesses. As of the date of this report, the Company does not expect that any of such proceedings will have a material adverse effect on the Company's financial position or results of operations.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

MARKET INFORMATION AND DIVIDEND POLICY

The shares of Dick's Sporting Goods, Inc. common stock are listed and traded on the New York Stock Exchange ("NYSE") under the symbol "DKS". The Company also has shares of Class B common stock outstanding, which are not listed or traded on any stock exchange or other market. Shares of our Class B common stock can be converted on a one-for-one basis to shares of our common stock at any time at the holder's option and are automatically converted upon other events. The following table shows the quarterly high and low closing sale prices per share of the Company's common stock as reported by the NYSE for each quarter during the last two fiscal years and the quarterly cash dividend declared per share of our common stock during the periods indicated.

Fiscal Quarter Ended	High	Low	Dividend [a]
May 4, 2013	$50.98	$45.11	$0.125
August 3, 2013	$53.20	$49.25	$0.125
November 2, 2013	$53.90	$46.24	$0.125
February 1, 2014	$58.58	$50.88	$0.125

Fiscal Quarter Ended	High	Low	Dividend [b]
April 28, 2012	$51.22	$40.80	$0.125
July 28, 2012	$51.14	$44.58	$0.125
October 27, 2012	$53.93	$48.59	$0.125
February 2, 2013	$53.01	$44.83	$2.125 [c]

(a) Quarterly cash dividend of $0.125 per share of common stock and Class B common stock paid on March 29, 2013, June 28, 2013, September 27, 2013 and December 27, 2013 to stockholders of record on March 8, 2013, June 7, 2013, September 6, 2013 and December 6, 2013, respectively.

(b) Quarterly cash dividend of $0.125 per share of common stock and Class B common stock paid on March 30, 2012, June 29, 2012, September 28, 2012 and December 28, 2012 to stockholders of record on March 2, 2012, June 1, 2012, August 31, 2012 and November 30, 2012, respectively.

(c) Includes a special cash dividend of $2.00 per share of common stock and Class B common stock paid on December 28, 2012 to stockholders of record on December 17, 2012.

The number of holders of record of shares of the Company's common stock and Class B common stock as of March 21, 2014 was 291 and 25, respectively.

The declaration of future dividends and the establishment of the per share amount, record dates and payment dates for any such future dividends are subject to the final determination of the Board, and will be dependent upon future earnings, cash flows, financial requirements and other factors.

Table of Contents

ISSUER PURCHASES OF EQUITY SECURITIES

The following table sets forth information with respect to common stock repurchases made during the three months ended February 1, 2014.

Period	Total Number of Shares Purchased [(a)]	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs [(b)]	Dollar Value of Shares That May Yet be Purchased Under the Plan or Program
November 3, 2013 to November 30, 2013	493	$55.46	—	$894,397,548
December 1, 2013 to January 4, 2014	1,059,351	$56.68	1,058,600	$834,399,978
January 5, 2014 to February 1, 2014	1,586,858	$56.72	1,586,662	$744,397,589
Total	2,646,702	$56.70	2,645,262	

(a) Includes shares withheld from employees to satisfy minimum tax withholding obligations associated with the vesting of restricted stock during the period.

(b) Shares repurchased as part of the Company's previously announced five-year $1 billion share repurchase program, authorized by the Board on March 7, 2013.

The information set forth under Part III, Item 12. "Security Ownership of Certain Beneficial Owners and Management and Related Shareholder Matters" is incorporated herein.

ITEM 6. SELECTED FINANCIAL DATA

The selected consolidated financial data for fiscal years 2013, 2012, 2011, 2010 and 2009 presented below under the captions "Statement of Income Data", "Per Common Share Data", "Other Data" and "Balance Sheet Data" have been derived from our Consolidated Financial Statements for those periods. The selected consolidated financial data for fiscal years 2013, 2012, 2011, 2010 and 2009 presented below under the caption "Store Data" have been derived from internal records of our operations.

Our fiscal year consists of 52 or 53 weeks, ends on the Saturday nearest to the last day in January and is referenced by the calendar year ending closest to that date. All fiscal years presented include 52 weeks of operations except fiscal 2012, which includes 53 weeks.

Table of Contents

The information set forth below should be read in conjunction with other sections of this report including Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our Consolidated Financial Statements and related notes appearing elsewhere in this Annual Report on Form 10-K.

	Fiscal Year				
	2013	2012	2011	2010	2009
	(Dollars in thousands, except per share and per square foot data)				
Statement of Income Data:					
Net sales	$6,213,173	$5,836,119	$5,211,802	$4,871,492	$4,412,835
Cost of goods sold	4,269,223	3,998,956	3,616,921	3,422,462	3,195,899
Gross profit	1,943,950	1,837,163	1,594,881	1,449,030	1,216,936
Selling, general and administrative expenses (1)	1,386,315	1,297,413	1,148,268	1,129,293	972,025
Merger and integration costs	—	—	—	—	10,113
Pre-opening expenses	20,823	16,076	14,593	10,488	9,227
Income from operations	536,812	523,674	432,020	309,249	225,571
Impairment of available-for-sale investments (2)	—	32,370	—	—	—
Gain on sale of investment (3)	—	—	(13,900)	—	—
Interest expense (4)	2,929	6,034	13,868	14,016	4,543
Other (income) expense (5)	(12,224)	(4,555)	26	(2,278)	(2,148)
Income before income taxes	546,107	489,825	432,026	297,511	223,176
Provision for income taxes	208,509	199,116	168,120	115,434	87,817
Net income	$337,598	$290,709	$263,906	$182,077	$135,359
Per Common Share Data:					
Earnings per common share - Basic	$2.75	$2.39	$2.19	$1.57	$1.20
Earnings per common share - Diluted	$2.69	$2.31	$2.10	$1.50	$1.15
Dividends declared per common share (6)	$0.50	$2.50	$0.50	$—	$—
Weighted average common shares outstanding:					
Basic	122,878	121,629	120,232	116,236	113,184
Diluted	125,628	125,995	125,768	121,724	117,955
Store Data:					
Same store sales increase (decrease) (7)	1.9%	4.3%	2.0%	7.2%	(1.4)%
Number of stores at end of period (8)	642	601	561	525	510
Total square footage at end of period (8)	31,621,488	29,587,733	27,596,140	25,889,771	24,816,442
Net sales per square foot (9)	$186	$193	$187	$185	$177
Other Data:					
Gross profit margin	31.3%	31.5%	30.6%	29.7%	27.6%
Selling, general and administrative expenses as a percentage of net sales	22.3%	22.2%	22.0%	23.2%	22.0%
Operating margin	8.6%	9.0%	8.3%	6.3%	5.1%
Inventory turnover (10)	3.18x	3.33x	3.37x	3.39x	3.26x

Depreciation and amortization	$154,928	$125,096	$116,581	$110,394	$100,948
Balance Sheet Data:					
Inventories, net	$1,232,065	$1,096,186	$1,014,997	$896,895	$895,776
Working capital (11)	$617,484	$595,121	$928,247	$715,787	$426,686
Total assets	$3,071,487	$2,887,807	$2,996,452	$2,597,536	$2,245,333
Total debt including capital and financing lease obligations (4)	$7,375	$16,275	$159,022	$140,841	$142,243
Retained earnings	$1,187,514	$911,704	$932,871	$730,468	$548,391
Total stockholders' equity	$1,692,179	$1,587,324	$1,632,745	$1,363,581	$1,083,227

(1) Selling, general and administrative expenses for fiscal 2010 included $16.4 million relating to future lease obligations and asset impairment charges resulting from the closure of 12 underperforming Golf Galaxy stores and $10.8 million relating to litigation settlement costs. Selling, general and administrative expenses for fiscal 2011 included a $2.1 million expense reduction relating to the partial reversal of previously accrued litigation settlement costs. Selling, general and administrative expenses for fiscal 2013 included $7.9 million relating to a non-cash impairment charge to reduce the carrying value of a corporate aircraft held for sale to its fair market value.

(2) Impairment of available-for-sale investments reflects the Company's impairment of its investment in JJB Sports, plc ("JJB Sports").

(3) Gain on sale of investment resulted from the sale of the Company's available-for-sale securities in GSI Commerce, Inc.

(4) Interest expense in fiscal 2010, 2011 and 2012 included rent payments under the Company's financing lease obligation for its corporate headquarters building, which the Company purchased in fiscal 2012 for $133.4 million, including closing costs. The Company's payment to purchase the building is reflected as a payment of its financing lease obligation in fiscal 2012.

(5) Includes investment income recognized to reflect changes in deferred compensation plan investment values with a corresponding charge to selling, general and administrative costs for the same amount. During the first quarter of 2013, the Company recorded $4.3 million related to the partial recovery of its previously impaired investment in JJB Sports, which is reflected herein.

(6) Dividends declared per common share in fiscal 2011 represent the Company's first dividend of $0.50 per share of common stock and Class B common stock. Dividends declared per common share in fiscal 2012 and thereafter represent quarterly dividends of $0.125. Fiscal 2012 included a special cash dividend of $2.00 per share of common stock and Class B common stock.

(7) A store is included in the same store sales calculation in the same fiscal period that it commences its 14th full month of operations. Stores that were closed or relocated during the applicable period have been excluded from same store sales. Each relocated store is returned to the same store base in the fiscal period that it commences its 14th full month of operations at that new location. The Company's eCommerce business is included in the same store sales calculation beginning in fiscal 2010. The same store sales calculation for fiscal 2012 excluded sales during the 53rd week.

(8) Includes Dick's Sporting Goods, Golf Galaxy, Field & Stream and True Runner stores.

(9) Calculated using net sales and gross square footage of all stores open at both the beginning and the end of the period, excluding eCommerce sales. Gross square footage includes the storage, receiving and office space that generally occupies approximately 17% of total store space in our Dick's Sporting Goods stores.

(10) Calculated as cost of goods sold divided by the average monthly ending inventories of the last 13 months.

(11) Defined as current assets less current liabilities.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with Part I, Item 6, "Selected Financial Data" and our Consolidated Financial Statements and related notes appearing elsewhere in this Annual Report on Form 10-K. This Annual Report on Form 10-K contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. See "Forward-Looking Statements" and Part I, Item 1A. "Risk Factors".

Overview

Dick's Sporting Goods, Inc. (together with its subsidiaries, referred to as the "Company", "we", "us", and "our" unless specified otherwise) is an authentic full-line sports and fitness specialty omni-channel retailer offering a broad assortment of high quality, competitively-priced brand name sporting goods equipment, apparel and footwear in a specialty store environment. As of February 1, 2014, we operated 558 Dick's Sporting Goods stores in 46 states and 79 Golf Galaxy stores in 29 states, with

Table of Contents

approximately 31.6 million square feet on a consolidated basis, the majority of which are located throughout the eastern half of the United States.

The primary factors that have historically influenced the Company's profitability and success have been the growth in its number of stores and selling square footage, positive same store sales and its strong gross profit margins. In the last five years, the Company has grown from 398 Dick's Sporting Goods stores at the end of fiscal 2008 to 558 Dick's Sporting Goods stores at the end of fiscal 2013. The Company continues to expand its presence through the opening of new stores and believes it has the potential to reach approximately 1,100 Dick's Sporting Goods locations, including smaller-market locations across the United States.

In order to monitor the Company's success, the Company's senior management monitors certain key performance indicators, including:

- Consolidated same store sales performance – Same store sales provide a measure of sales growth for stores open at least one year over the comparable prior year period, as well as the corresponding eCommerce sales. A store is included in the same store sales calculation in the same fiscal period that it commences its 14th full month of operations. Stores that were closed or relocated during the applicable period have been excluded from same store sales. Each relocated store is returned to the same store base in the fiscal period that it commences its 14th full month of operations at that new location. Our management considers same store sales to be an important indicator of our current performance. Same store sales results are important to leverage our costs, including occupancy costs, store payroll and other store expenses. Same store sales also have a direct impact on our total net sales, cash and working capital. See further discussion of the Company's same store sales in the "Results of Operations" section herein.

- Operating cash flow – Cash flow generation supports the general operating needs of the Company and funds capital expenditures related to its store network, distribution and administrative facilities, costs associated with continued improvement of information technology tools, costs associated with potential strategic acquisitions or investments that may arise from time to time and stockholder return initiatives, including cash dividends and share repurchases. We typically generate significant positive operating cash flows in our fiscal fourth quarter in connection with the holiday selling season and proportionately higher net income levels. See further discussion of the Company's cash flows in the "Liquidity and Capital Resources" section herein.

- Quality of merchandise offerings – To monitor and maintain acceptance of its merchandise offerings, the Company monitors sell-throughs, inventory turns, gross margins and markdown rates on a department and style level. This analysis helps the Company manage inventory levels to reduce cash flow requirements and deliver optimal gross margins by improving merchandise flow and establishing appropriate price points to minimize markdowns.

- Store productivity – To assess store-level performance, the Company monitors various indicators, including sales per square foot, store operating contribution margin and store cash flow.

Executive Summary

- Net income for the 52 weeks ended February 1, 2014 increased 16% to $337.6 million, or $2.69 per diluted share, as compared to net income of $290.7 million, or $2.31 per diluted share, during the 53 weeks ended February 2, 2013.

- Fiscal 2013 net income includes $4.3 million, net of tax, or $0.03 per diluted share, related to the partial recovery from its previously impaired investment in JJB Sports recorded during the first quarter of 2013 and a charge of $4.7 million, net of tax, or $0.04 per diluted share, related to a non-cash impairment to reduce the carrying value of a corporate aircraft held for sale to its fair market value.

- Fiscal 2012 net income included a charge of $27.6 million, net of tax, or $0.22 per diluted share, related to the Company's impairment of its investment in JJB Sports. Additionally, fiscal 2012 included approximately $0.03 per diluted share for the 53rd week.

- Net sales increased 6% to $6,213.2 million in fiscal 2013 from $5,836.1 million in fiscal 2012 due primarily to a 1.9% increase in consolidated same store sales on a 52-week to 52-week basis and the growth of our store network, partially offset by the inclusion of the 53rd week of sales in fiscal 2012. Sales during the 53rd week of fiscal 2012 totaled approximately $74 million.

25

Table of Contents

- Gross profit decreased to 31.29% in fiscal 2013 as a percentage of net sales from 31.48% in fiscal 2012 due primarily to increased occupancy and shipping expenses, partially offset by higher merchandise margins.

- In fiscal 2013, the Company:

- Declared and paid aggregate cash dividends of $0.50 per share.

- Launched two Field & Stream stores, a specialized outdoor concept.

- Repurchased 4.8 million shares of common stock for $255.6 million.

- Made substantial capital investments in the business, increasing capital expenditures to $285.7 million in fiscal 2013 from $219.0 million in fiscal 2012.

- The Company ended fiscal 2013 with no outstanding borrowings under the current senior secured credit agreement (the "Credit Agreement").