# Academy Sports + Outdoors Reports Second Quarter Fiscal 2025 Results; Updates Guidance

September 2, 2025

*Second Quarter Sales Increase 3.3%; Comparable Sales Increase 0.2%*

*eCommerce Sales Increase 17.7%; New Stores Comping Positive Mid-Single Digits*

*Second Quarter Diluted GAAP EPS of $1.85*

*Opened Three New Stores in Florida, Virginia and West Virginia*

*Company Maintains High End of Guidance Range; Raises Low End*

KATY, Texas, Sept. 02, 2025 (GLOBE NEWSWIRE) -- Academy Sports and Outdoors, Inc. (Nasdaq: ASO) ("Academy" or the "Company") today announced its financial results for the second quarter ended August 2, 2025.

"We were pleased to see sales inflect to a positive comp in the second quarter, driven by steady improvements in the business that are a result of the progress we continue to make against our strategic initiatives. Customers are gravitating to our diversified assortment and our value proposition is resonating with them, which has allowed us to pick up market share in the first half of the year," said Steve Lawrence, Chief Executive Officer. “As we head into the back half of the year, we believe momentum is building in the business and we are confident in our strategy and ability to come out of this year better positioned than ever to serve our customers and drive long-term growth.”

| **Second Quarter Operating Results** | **Thirteen Weeks Ended** | | **Change** |
|---|---|---|---|
| **($ in millions, except per share data)** | **August 2, 2025** | **August 3, 2024** | **%** |
| Net sales | $ 1,599.8 | $ 1,549.0 | 3.3 % |
| Comparable sales | 0.2% | (6.9) % | |
| Income before income tax | $ 164.8 | $ 186.5 | (11.6) % |
| Net income | $ 125.4 | $ 142.6 | (12.1) % |
| Adjusted net income [1] | $ 131.3 | $ 148.6 | (11.6) % |
| Earnings per common share, diluted | $ 1.85 | $ 1.95 | (5.1) % |
| Adjusted earnings per common share, diluted [1] | $ 1.94 | $ 2.03 | (4.4) % |

(1) Adjusted net income and Adjusted earnings per common share, diluted are non-GAAP measures. See "Non-GAAP Measures" and "Reconciliations of GAAP to Non-GAAP Financial Measures" below for reconciliations of non-GAAP financial measures to their most directly comparable GAAP financial measures.

| **Year-to-Date Operating Results** | **Twenty-Six Weeks Ended** | | **Change** |
|---|---|---|---|
| **($ in millions, except per share data)** | **August 2, 2025** | **August 3, 2024** | **%** |
| Net sales | $ 2,951.2 | $ 2,913.2 | 1.3 % |
| Comparable sales | (1.7) % | (6.4) % | |
| Income before income tax | $ 227.9 | $ 284.2 | (19.8) % |
| Net Income | $ 171.5 | $ 219.1 | (21.7) % |
| Adjusted net income [1] | $ 182.9 | $ 230.3 | (20.6) % |
| Earnings per common share, diluted | $ 2.52 | $ 2.93 | (14.0) % |
| Adjusted earnings per common share, diluted [1] | $ 2.69 | $ 3.08 | (12.7) % |

(1) Adjusted net income and Adjusted earnings per common share, diluted are non-GAAP measures. See "Non-GAAP Measures" and "Reconciliations of GAAP to Non-GAAP Financial Measures" below for reconciliations of non-GAAP financial measures to their most directly comparable GAAP financial measures.

| | **As of** | | **Change** |
|---|---|---|---|
| **Balance Sheet ($ in millions)** | **August 2, 2025** | **August 3, 2024** | **%** |
| Cash and cash equivalents | $ 300.9 | $ 324.6 | (7.3) % |
| Merchandise inventories, net[1] | $ 1,587.6 | $ 1,366.6 | 16.2 % |
| Long-term debt, net | $ 481.7 | $ 483.6 | (0.4) % |

(1) As of August 2, 2025 inventory per store was up 4.5% in units and 8.2% in dollars.

| | **Twenty-Six Weeks Ended** | | **Change** |
|---|---|---|---|
| **Capital Allocation ($ in millions)** | **August 2, 2025** | **August 3, 2024** | **%** |
| Share repurchases | $ 99.9 | $ 222.3 | (55.1) % |
| Dividends paid | $ 17.4 | $ 16.1 | 8.1 % |

Subsequent to the end of the second quarter, on August 28, 2025, Academy's Board of Directors declared a quarterly cash dividend of $0.13 per share of common stock. The dividend is payable on October 9, 2025, to stockholders of record as of the close of business on September 11, 2025.

**New Store Openings**

Academy opened three new stores during the second quarter, bringing its total to 306 locations across 21 states. The Company plans to open a total of 20 to 25 stores in fiscal 2025.

**Academy Store Footprint Update**

| Time Frame | Total stores open at beginning of the period | Number of stores opened during the period | Number of stores closed during the period | Total stores open at end of period |
|---|---|---|---|---|
| FY 2024 | 282 | 16 | — | 298 |
| 1st Quarter 2025 | 298 | 5 | — | 303 |
| 2nd Quarter 2025 | 303 | 3 | — | 306 |

Note: 21 new stores added LTM

| Time Frame | Total gross square feet open at beginning of the period | Gross square feet for stores opened during the period | Gross square feet for stores closed during the period | Total gross square feet at the end of the period |
|---|---|---|---|---|
| FY 2024 | 19,679 | 925 | — | 20,604 |
| 1st Quarter 2025 | 20,604 | 275 | — | 20,879 |
| 2nd Quarter 2025 | 20,879 | 191 | — | 21,070 |

Note: Figures in thousands

**Tariff Mitigation Actions**

The Company believes that it has mostly offset the impact of the current incremental tariffs on its business for fiscal 2025. The Company deployed multiple tactics, including:

- Partnering with factories and vendors to absorb a portion of the incremental expense
- Working with overseas partners to shift country of origin where it made sense
- Adjusting unit buys where needed
- Pulling in additional inventory from brands that had available goods in domestic warehouses
- Utilizing our pricing optimization tool to create strategies to drive higher Average Unit Retails (AUR's)

The Company believes these actions should mitigate the impact of the tariffs throughout the remainder of this year while still being able to serve customers by delivering a strong value proposition. In the event of additional tariffs, the Company will continue to develop strategies to offset any impacts utilizing the tactics described above.

**2025 Outlook**

"Sales for the second quarter continued to improve, and we saw meaningful acceleration in our strategic initiatives. In addition, we believe we now have additional visibility into tariff impacts and are well positioned to mitigate them," said Carl Ford, Chief Financial Officer. "Based on the results from the first half of the year and the expectations for the remainder of fiscal 2025, we are narrowing the low end of our sales guidance from -4.0% to -3.0%. The updated sales guidance range is -3.0% to positive 1.0%. We expect the tax rate for the year to be 23.5%."

Academy is revising its previous guidance for fiscal 2025 as follows:

| | Fiscal 2025 Guidance Q1 Update | | Updated Fiscal 2025 Guidance | |
|---|---|---|---|---|
| (in millions, except per share amounts) | Low end | High End | Low end | High end |
| Net sales | $ 5,970 | $ 6,265 | $ 6,000 | $ 6,265 |
| Comparable sales [1] | (4.0) % | 1.0% | (3.0) % | 1.0% |
| Gross margin rate | 34.0 % | 34.5% | 34.0 % | 34.5% |
| GAAP net income | $ 350 | $ 410 | $ 360 | $ 410 |
| Adjusted net income [2] | $ 375 | $ 435 | $ 380 | $ 430 |
| GAAP earnings per common share, diluted | $ 5.10 | $ 5.90 | $ 5.30 | $ 6.00 |
| Adjusted earnings per common share, diluted [2] | $ 5.45 | $ 6.25 | $ 5.60 | $ 6.30 |
| Diluted weighted average common shares | ~69 | ~69 | ~68 | ~68 |
| Capital Expenditures | $ 180 | $ 220 | $ 180 | $ 220 |
| Adjusted free cash flow [2], [3] | $ 250 | $ 320 | $ 250 | $ 320 |

(1) We define comparable sales as the percentage of period-over-period net sales increase or decrease, in the aggregate, for stores open after thirteen full fiscal months, as well as for all eCommerce sales.

(2) Adjusted net income, adjusted earnings per common share (EPS), diluted, and adjusted free cash flow are non-GAAP measures. See "Non-GAAP Measures" and "Reconciliations of GAAP to Non-GAAP Financial Measures" below for reconciliations of non-GAAP financial measures to their most directly comparable GAAP financial measures.

(3) We have not reconciled guidance for adjusted free cash flow to the most comparable GAAP measure because it is not possible to do so without unreasonable efforts given the uncertainty and potential variability of reconciling items, which are dependent on future events often outside of management's control and could be significant; therefore, we are unable to provide an estimate of the most closely comparable GAAP measure at this time.

**Conference Call Info**

Academy will host a conference call today at 10:00 a.m. Eastern Time to discuss its financial results and related matters. The call will be webcast at investors.academy.com. The following information is provided for those who would like to participate in the conference call:

| | |
|---|---|
| U.S. callers | 1-877-407-3982 |
| International callers | 1-201-493-6780 |
| Passcode | 13755467 |

A replay of the conference call will be available for approximately 30 days on the Company's website.

**About Academy Sports + Outdoors**

Academy is a leading full-line sporting goods and outdoor recreation retailer in the United States. Originally founded in 1938 as a family business in Texas, Academy has grown to more than 300 stores across 21 states and counting. Academy's mission is to provide "Fun for All" and Academy fulfills this mission with a localized merchandising strategy and value proposition that strongly connects with a broad range of consumers. Academy's product assortment focuses on key categories of outdoor, apparel, sports & recreation and footwear through both leading national brands and a portfolio of private label brands. For more information, visit www.academy.com.

**Non-GAAP Measures**

Adjusted EBITDA, Adjusted EBIT, Adjusted Net Income, Adjusted Earnings per Common Share, and Adjusted Free Cash Flow have been presented in this press release as supplemental measures of financial performance that are not required by, or presented in accordance with, generally accepted accounting principles ("GAAP"). The Company believes that the presentation of these non-GAAP measures is useful to investors as they provide additional information on comparisons between periods by excluding certain items that affect overall comparability. The Company uses these non-GAAP financial measures for business planning purposes, to consider underlying trends of its business, and in measuring its performance relative to others in the market, and believes presenting these measures also provides information to investors and others for understanding and evaluating trends in the Company's operating results or measuring performance in the same manner as the Company's management. Non-GAAP financial measures should be considered in addition to, and not as an alternative for, the Company's reported results prepared in accordance with GAAP. The calculation of these non-GAAP financial measures may differ from similar measures reported by other companies and may not be comparable to other similarly titled measures. For additional information on these non-GAAP financial measures, please see our Annual Report for the fiscal year ended February 1, 2025 (the "Annual Report"), filed on March 20, 2025 and our Quarterly Report for the thirteen weeks ended August 2, 2025 to be filed on September 2, 2025 ("the Quarterly Report"), which may be updated from time to time in our periodic filings with the Securities and Exchange Commission (the "SEC"), which are accessible on the SEC's website at www.sec.gov.

*See "Reconciliations of GAAP to Non-GAAP Financial Measures" below for reconciliations of non-GAAP financial measures presented in this press release to their most directly comparable GAAP financial measures.*

**Forward Looking Statements**

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements are based on Academy's current expectations and are not guarantees of future performance. Forward-looking statements may incorporate words such as "believe," "expect," "anticipate," "forward," "ahead," "opportunities," "plans," "priorities," "goals," "future," "short/long term," "will," "should," or the negative version of these words or other comparable words. The forward-looking statements in this press release include, among other things, statements regarding the Company's fiscal 2025 outlook under the caption "2025 Outlook", the Company's plans and expectations regarding tariff-mitigation actions, the Company's strategic plans and financial objectives, including the implementation of such plans, the growth of the Company's business and operations, including the opening of new stores and the expansion into new markets, as well as their performance, the Company's payment of dividends, including the timing and amount thereof, share repurchases by the Company, and the Company's expectations regarding its future performance and financial condition and the Company's plans to reduce direct import cost exposure to China. These forward-looking statements are subject to various risks, uncertainties, assumptions, or changes in circumstances that are all difficult to predict or quantify. Actual results may differ materially from these expectations due to changes in global, regional, or local economic, business, competitive, market, regulatory, environmental, and other factors that could affect overall consumer spending or our industry, including the possible effects of ongoing macroeconomic challenges, inflation and higher interest rates, trade policy changes or additional tariffs or changes in tariffs, geopolitical tensions, or changes to the financial health of our customers, many of which are beyond Academy's control. These and other important factors that could cause actual results to differ materially from those in the forward-looking statements are set forth in Academy's filings with the SEC, including the Annual Report and the Quarterly Report, under the caption "Risk Factors," as may be updated from time to time in our periodic filings with the SEC. Any forward-looking statement in this press release speaks only as of the date of this release. Academy undertakes no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by any applicable securities laws.


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**ACADEMY SPORTS AND OUTDOORS, INC.**
**CONSOLIDATED STATEMENTS OF INCOME**
**(Unaudited)**
**(Amounts in thousands, except per share data)**

| | Thirteen Weeks Ended | | | |
|---|---|---|---|---|
| | **August 2, 2025** | **Percentage of Sales [1]** | **August 3, 2024** | **Percentage of Sales [1]** |
| Net sales | **$ 1,599,838** | **100.0%** | $ 1,548,980 | 100.0% |
| Cost of goods sold | **1,023,105** | **64.0%** | 990,255 | 63.9% |
| Gross margin | **576,733** | **36.0%** | 558,725 | 36.1% |
| Selling, general and administrative expenses | **404,352** | **25.3%** | 368,639 | 23.8% |
| Operating income | **172,381** | **10.8%** | 190,086 | 12.3% |
| Interest expense, net | **9,028** | **0.6%** | 9,071 | 0.6% |
| Other income, net | **1,480** | **0.1%** | 5,531 | 0.4% |
| Income before income taxes | **164,833** | **10.3%** | 186,546 | 12.0% |
| Income tax expense | **39,399** | **2.5%** | 43,958 | 2.8% |
| Net income | **$ 125,434** | **7.8%** | $ 142,588 | 9.2% |
| Earnings Per Common Share: | | | | |
| Basic | **$ 1.89** | | $ 1.99 | |
| Diluted | **$ 1.85** | | $ 1.95 | |
| Weighted Average Common Shares Outstanding: | | | | |
| Basic | **66,539** | | 71,829 | |
| Diluted | **67,689** | | 73,289 | |

[1] Column may not add due to rounding

**ACADEMY SPORTS AND OUTDOORS, INC.**
**CONSOLIDATED STATEMENTS OF INCOME**
**(Unaudited)**
**(Amounts in thousands, except per share data)**

| | Twenty-Six Weeks Ended | | | |
|---|---|---|---|---|
| | **August 2, 2025** | **Percentage of Sales [1]** | **August 3, 2024** | **Percentage of Sales [1]** |
| Net sales | **$ 2,951,247** | **100.0%** | $ 2,913,200 | 100.0% |
| Cost of goods sold | **1,915,645** | **64.9%** | 1,898,681 | 65.2% |
| Gross margin | **1,035,602** | **35.1%** | 1,014,519 | 34.8% |
| Selling, general and administrative expenses | **793,956** | **26.9%** | 722,050 | 24.8% |
| Operating income | **241,646** | **8.2%** | 292,469 | 10.0% |
| Interest expense, net | **18,072** | **0.6%** | 18,557 | 0.6% |
| Write off of deferred loan costs | **—** | **—%** | 449 | 0.0% |
| Other income, net | **4,287** | **0.1%** | 10,735 | 0.4% |
| Income before income taxes | **227,861** | **7.7%** | 284,198 | 9.8% |
| Income tax expense | **56,343** | **1.9%** | 65,145 | 2.2% |
| Net income | **$ 171,518** | **5.8%** | $ 219,053 | 7.5% |
| Earnings Per Common Share: | | | | |
| Basic | **$ 2.57** | | $ 3.00 | |
| Diluted | **$ 2.52** | | $ 2.93 | |
| Weighted Average Common Shares Outstanding: | | | | |
| Basic | **66,831** | | 72,911 | |
| Diluted | **68,043** | | 74,651 | |

(1) Column may not add due to rounding

**ACADEMY SPORTS AND OUTDOORS, INC.**
**CONSOLIDATED BALANCE SHEETS**
**(Unaudited)**
**(Amounts in thousands, except per share data)**

| | August 2, 2025 | February 1, 2025 | August 3, 2024 |
|---|---|---|---|
| **ASSETS** | | | |
| **CURRENT ASSETS:** | | | |
| Cash and cash equivalents | **$ 300,860** | $ 288,929 | $ 324,568 |
| Accounts receivable - less allowance for doubtful accounts of $1,874, $2,752 and $2,080, respectively | **19,181** | 16,759 | 12,812 |
| Merchandise inventories, net | **1,587,624** | 1,308,840 | 1,366,616 |
| Prepaid expenses and other current assets | **78,257** | 95,621 | 108,392 |
| **Total current assets** | **1,985,922** | 1,710,149 | 1,812,388 |
| **PROPERTY AND EQUIPMENT, NET** | **584,045** | 525,136 | 470,752 |
| **RIGHT-OF-USE ASSETS** | **1,206,207** | 1,173,075 | 1,103,242 |
| **TRADE NAME** | **579,330** | 579,007 | 578,550 |
| **GOODWILL** | **861,920** | 861,920 | 861,920 |
| **OTHER NONCURRENT ASSETS** | **58,559** | 51,676 | 47,506 |
| **Total assets** | **$ 5,275,983** | $ 4,900,963 | $ 4,874,358 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | | |
| **CURRENT LIABILITIES:** | | | |
| Accounts payable | **$ 803,309** | $ 612,424 | $ 704,578 |
| Accrued expenses and other current liabilities | **266,021** | 230,323 | 259,069 |
| Current lease liabilities | **139,678** | 115,134 | 124,628 |
| Current maturities of long-term debt | **3,000** | 3,000 | 3,000 |
| **Total current liabilities** | **1,212,008** | 960,881 | 1,091,275 |
| **LONG-TERM DEBT, NET** | **481,738** | 482,679 | 483,617 |
| **LONG-TERM LEASE LIABILITIES** | **1,217,217** | 1,185,741 | 1,083,390 |
| **DEFERRED TAX LIABILITIES, NET** | **270,502** | 256,815 | 252,919 |
| **OTHER LONG-TERM LIABILITIES** | **19,368** | 10,812 | 10,763 |
| **Total liabilities** | **3,200,833** | 2,896,928 | 2,921,964 |
| **COMMITMENTS AND CONTINGENCIES** | | | |
| **STOCKHOLDERS' EQUITY:** | | | |
| Preferred stock, $0.01 par value, authorized 50,000,000 shares; none issued and outstanding | **—** | — | — |
| Common stock, $0.01 par value, authorized 300,000,000 shares; 66,625,266, 68,332,961, and 70,915,916 issued and outstanding as of August 2, 2025, February 1, 2025, and August 3, 2024, respectively. | **666** | 683 | 709 |
| Additional paid-in capital | **255,517** | 247,094 | 244,584 |
| Retained earnings | **1,818,967** | 1,756,258 | 1,707,101 |
| **Stockholders' equity** | **2,075,150** | 2,004,035 | 1,952,394 |
| **Total liabilities and stockholders' equity** | **$ 5,275,983** | $ 4,900,963 | $ 4,874,358 |

**ACADEMY SPORTS AND OUTDOORS, INC.**
**CONSOLIDATED STATEMENTS OF CASH FLOWS**
**(Unaudited)**
**(Amounts in thousands)**

| | Twenty-Six Weeks Ended | |
|---|---|---|
| | **August 2, 2025** | **August 3, 2024** |
| **CASH FLOWS FROM OPERATING ACTIVITIES:** | | |
| Net income | **$ 171,518** | $ 219,053 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |

| | | |
|---|---|---|
| Depreciation and amortization | **61,171** | 57,771 |
| Non-cash lease expense | **22,487** | 7,271 |
| Equity compensation | **15,144** | 14,093 |
| Amortization of deferred loan and other costs | **1,292** | 1,279 |
| Deferred income taxes | **13,686** | (1,876) |
| Write off of deferred loan costs | **—** | 449 |
| Changes in assets and liabilities: | | |
| Accounts receivable, net | **(2,421)** | 6,559 |
| Merchandise inventories, net | **(278,784)** | (172,457) |
| Prepaid expenses and other current assets | **15,311** | (24,943) |
| Other noncurrent assets | **(7,617)** | (7,462) |
| Accounts payable | **178,381** | 153,613 |
| Accrued expenses and other current liabilities | **29,395** | 19,073 |
| Income taxes payable | **7,526** | 19,801 |
| Other long-term liabilities | **8,958** | (1,201) |
| Net cash provided by operating activities | **236,047** | 291,023 |
| **CASH FLOWS FROM INVESTING ACTIVITIES:** | | |
| Capital expenditures | **(107,576)** | (73,425) |
| Purchases of intangible assets | **(323)** | (314) |
| Net cash used in investing activities | **(107,899)** | (73,739) |
| **CASH FLOWS FROM FINANCING ACTIVITIES:** | | |
| Proceeds from Revolving Credit Facilities | **—** | 3,900 |
| Repayment of Revolving Credit Facilities | **—** | (3,900) |
| Repayment of Term Loan | **(1,500)** | (1,500) |
| Debt issuance fees | **—** | (5,690) |
| Proceeds from exercise of stock options | **2,646** | 3,575 |
| Proceeds from issuance of common stock under employee stock purchase program | **2,781** | 2,819 |
| Taxes paid related to net share settlement of equity awards | **(3,748)** | (3,412) |
| Repurchase of common stock for retirement | **(99,031)** | (220,325) |
| Dividends paid | **(17,365)** | (16,103) |
| Net cash used in financing activities | **(116,217)** | (240,636) |
| **NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS** | **11,931** | (23,352) |
| **CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD** | **288,929** | 347,920 |
| **CASH AND CASH EQUIVALENTS AT END OF PERIOD** | **$ 300,860** | $ 324,568 |

**ACADEMY SPORTS AND OUTDOORS, INC.**
**RECONCILIATIONS OF GAAP TO NON-GAAP FINANCIAL MEASURES**
**(Unaudited)**

***Adjusted EBITDA and Adjusted EBIT***

We define “Adjusted EBITDA” as net income (loss) before interest expense, net, income tax expense and depreciation, amortization, and impairment, and other adjustments included in the table below. We define “Adjusted EBIT” as Adjusted EBITDA less depreciation and amortization. We describe these adjustments reconciling net income (loss) to Adjusted EBITDA and Adjusted EBIT in the following table (amounts in thousands).

| | **Thirteen Weeks Ended** | | **Twenty-Six Weeks Ended** | |
|---|---|---|---|---|
| | **August 2, 2025** | **August 3, 2024** | **August 2, 2025** | **August 3, 2024** |
| Net income | **$ 125,434** | $ 142,588 | **$ 171,518** | $ 219,053 |
| Interest expense, net | **9,028** | 9,071 | **18,072** | 18,557 |
| Income tax expense | **39,399** | 43,958 | **56,343** | 65,145 |
| Depreciation and amortization | **31,021** | 28,918 | **61,171** | 57,771 |
| Equity compensation (a) | **7,602** | 7,955 | **15,144** | 14,093 |
| Write off of deferred loan costs | **—** | — | **—** | 449 |
| Adjusted EBITDA | **$ 212,484** | $ 232,490 | **$ 322,248** | $ 375,068 |

| | | | | |
|---|---|---|---|---|
| Less: Depreciation and amortization | **(31,021)** | (28,918) | **(61,171)** | (57,771) |
| Adjusted EBIT | **$ 181,463** | $ 203,572 | **$ 261,077** | $ 317,297 |

(a) Represents non-cash charges related to equity-based compensation, which vary from period to period depending on certain factors such as timing and valuation of awards, achievement of performance targets and equity award forfeitures.

***Adjusted Net Income and Adjusted Earnings Per Common Share***

We define "Adjusted Net Income" as net income (loss) plus other adjustments included in the table below, less the tax effect of these adjustments. We define "Adjusted Earnings per Common Share, Basic" as Adjusted Net Income divided by the basic weighted average common shares outstanding during the period and "Adjusted Earnings per Common Share, Diluted" as Adjusted Net Income divided by the diluted weighted average common shares outstanding during the period. We describe these adjustments reconciling net income (loss) to Adjusted Net Income, and Adjusted Earnings Per Common Share in the following table (amounts in thousands, except per share data):

| | **Thirteen Weeks Ended** | | **Twenty-Six Weeks Ended** | |
|---|---|---|---|---|
| | **August 2, 2025** | **August 3, 2024** | **August 2, 2025** | **August 3, 2024** |
| Net income | **$ 125,434** | $ 142,588 | **$ 171,518** | $ 219,053 |
| Equity compensation (a) | **7,602** | 7,955 | **15,144** | 14,093 |
| Write off of deferred loan costs | **—** | — | **—** | 449 |
| Tax effects of these adjustments (b) | **(1,717)** | (1,901) | **(3,745)** | (3,333) |
| Adjusted Net Income | **$ 131,319** | $ 148,642 | **$ 182,917** | $ 230,262 |
| Earnings per common share: | | | | |
| Basic | **$ 1.89** | $ 1.99 | **$ 2.57** | $ 3.00 |
| Diluted | **$ 1.85** | $ 1.95 | **$ 2.52** | $ 2.93 |
| Adjusted earnings per common share: | | | | |
| Basic | **$ 1.97** | $ 2.07 | **$ 2.74** | $ 3.16 |
| Diluted | **$ 1.94** | $ 2.03 | **$ 2.69** | $ 3.08 |
| Weighted average common shares outstanding: | | | | |
| Basic | **66,539** | 71,829 | **66,831** | 72,911 |
| Diluted | **67,689** | 73,289 | **68,043** | 74,651 |

(a) Represents non-cash charges related to equity-based compensation, which vary from period to period depending on certain factors such as timing and valuation of awards, achievement of performance targets and equity award forfeitures.

(b) For the thirteen and twenty-six weeks ended August 2, 2025 and August 3, 2024, this represents the estimated tax effect (by using the projected full year tax rates for the respective years) of the total adjustments made to arrive at Adjusted Net Income.

***Adjusted Net Income and Adjusted Earnings Per Common Share, Diluted, Guidance Reconciliation (amounts in millions, except per share data)***

| | **Low Range*** | **High Range*** |
|---|---|---|
| | **Fiscal Year Ending January 31, 2026** | **Fiscal Year Ending January 31, 2026** |
| Net Income | $ 360.0 | $ 410.0 |
| Equity compensation (a) | $ 20.0 | $ 20.0 |
| Adjusted Net Income | $ 380.0 | $ 430.0 |
| Earnings Per Common Share, Diluted | $ 5.30 | $ 6.00 |
| Equity compensation (a) | $ 0.30 | $ 0.30 |
| Adjusted Earnings Per Common Share, Diluted | $ 5.60 | $ 6.30 |

* Amounts presented have been rounded.

(a) Adjustments include non-cash charges related to equity-based compensation (as defined above), which may vary from period to period.

***Adjusted Free Cash Flow***

We define “Adjusted Free Cash Flow” as net cash provided by (used in) operating activities less net cash used in investing activities. We describe these adjustments reconciling net cash provided by operating activities to adjusted free cash flow in the following table (amounts in thousands):

| | Thirteen Weeks Ended | | Twenty-Six Weeks Ended | |
|---|---|---|---|---|
| | **August 2, 2025** | **August 3, 2024** | **August 2, 2025** | **August 3, 2024** |
| Net cash provided by operating activities | **$ 78,575** | $ 91,346 | **$ 236,047** | $ 291,023 |
| Net cash used in investing activities | **(56,911)** | (41,384) | **(107,899)** | (73,739) |
| Adjusted Free Cash Flow | **$ 21,664** | $ 49,962 | **$ 128,148** | $ 217,284 |