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Spring 2026 Comp Exam

DICK'S Sporting Goods

Analysis of Earned Business Media: Dick's Sporting Goods (DKS)

Background/ Context

Q4 FY25 Earnings Report

According to DICK'S Sporting Goods' (DKS) 2025 annual earnings report, the company reported total revenue of $17.22 billion, marking a 28.1% increase from $13.4 billion in 2024. This significant revenue growth is largely due to DKS's acquisition of Foot Locker in September 2025, which accounts for $3.1 billion of the total revenue, while Dick's Sporting Goods accounts for $14.1 Billion. This means it increased by 4.5% in DICK'S core business (*DICK'S Sporting Goods, Inc. Reports 4Q and FY25 Results*, 2026).

In the 2025 annual earnings report news release, Dick's Sporting Goods President and Chief Executive Officer (CEO), Lauren Hobart, held a positive tone regarding FY25 and an optimistic tone for the current fiscal year, stating:

> *"We're very proud of our company's Q4 results….another strong quarter with comp growth over 3% and double-digit non-GAAP EPS growth. It was a terrific year overall with comps of 4.5%, gross margin expansion….We also look forward to returning the Foot Locker Business to both top-line and bottom-line growth in 2026. We have deep conviction in the tremendous opportunity ahead for our entire company."*

Overall, the report demonstrates strong financial health and reinforces DICK'S Sporting Goods' strategic momentum heading into FY26.

Acquisition of Foot Locker

The acquisition of Foot Locker has significantly increased Dick's Sporting Goods' revenue, but has weighed on profits so far. After the acquisition, DICK'S discovered that many Foot Locker stores had excess inventory and cluttered product displays, leading to the creation of the "Fast Break" initiative.

Fast Break is a new store concept designed to improve both sales and the overall shopping experience. The store concept started as a pilot in 11 Foot Locker stores and focuses on better product presentation and a more curated selection, including the removal of about 30% of underperforming styles. The test locations delivered strong sales results, prompting DICK'S to rapidly expand the concept to additional stores. Looking ahead, the company expects Foot Locker to achieve comparable sales growth of 1% to 3% and generate roughly $100 to $150 million in operating income in 2026, supported in part by its efforts to clean up inventory and streamline store assortments (Salpini, 2026).

Business Media Sentiment

"Dick's pulls back on Foot Locker closures amid store pilot success" – Retail Dive.

This article is cautiously positive, as the writer includes both the challenges and opportunities DICK'S faces while sharing comments from company leadership and financial analysts (Salpini, 2026). Retail analyst Neil Saunders, from GlobalData Retail, shared a positive outlook in emailed comments, stating,

> *"Indeed, they seem to have done more in six months of ownership than Foot Locker accomplished in many years as a standalone business. The efforts should result in a turnaround in 2026, with comparables and profitability both expected to swing into positive territory. If this is achieved, it will be a major win that underlines the skill of the DICK'S leadership team"* (Salpini, 2026).

Executive Chairman Ed Stack explained that the decision to renovate stores rather than close additional locations will temporarily reduce Foot Locker's profitability in the first half of the year. While shutting down more stores would have been easier in the short term, Stack expressed confidence that the Fast Break store concept will ultimately make the locations more profitable. DICK'S Sporting Goods expects its core business and Foot Locker to see positive comp growth and strong profitability in 2026, with projected net sales of around $22 billion and operating income of up to $1.83 billion.

"Why Dick's Sporting Goods has thrived while rivals fail" – The Street

Retail writer Madison Troyer highlights DICK'S Sporting Goods' strong positioning compared to competitors. She notes that while rival retailers such as Big 5 have experienced store closures, DICK'S has continued to strengthen its strategy, including by making significant updates to its mobile app. During the first week of March, the DICK'S mobile app ranked third overall in the Apple App Store, after AI platforms ChatGPT and Claude. The app includes a unique feature that lets users earn exclusive discounts for every 10,000 steps or 30 minutes of physical activity tracked by a fitness device. Troyer also reports that foot traffic to DICK'S stores increased 0.2% overall and 1.2% at the same-store level compared to the same period last year. This shows a notable improvement from December 2025, when comparable-store visits declined by 4.6% and overall traffic fell by 5.7% (Troyer & Provini, 2026).

"Dick's Sporting Goods Stock Rises on Earnings. Guidance Is Mixed." – Barrons

Nate Wolf reports that DICK'S Sporting Goods posted strong fourth-quarter earnings and sales that outperformed Wall Street expectations, showing that there is still demand for athletic apparel and sporting goods. However, the DICK'S profit forecast for the upcoming year fell short of analyst expectations, leading to some investor caution despite the strong Q4FY25 results. Analysts are also closely watching the company's $2.4 billion acquisition of Foot Locker, which adds potential growth but also integration risk, especially since Foot Locker was underperforming prior to the acquisition (Wolf, 2026).

Dick's Sporting Goods Stock (DKS) Is Upgraded as Market Share Grows – TipRanks Financial

After DICK'S received an upgrade from a Baird analyst, TipRanks Financial reported positive analyst sentiment toward the company. The article highlights DICK'S significant revenue growth due to its increasing market share. Jonathan Komp, a five-star-rated analyst, upgraded DKS stock to an "Outperform" rating and raised his price target from $230 to $253, citing the company's growing market share, operational execution, and long-term growth potential (Baglole, 2026). He noted, "We are impressed by DICK'S productivity gains vs. pre-COVID levels and bullish on the multi-year Foot Locker recovery," expressing confidence in both the company's core business and its ability to successfully integrate and grow the Foot Locker brand (Baglole, 2026).

<u>“The $40 Billion Game of Youth Sports Has Only One Winner: Dick’s Sporting Goods” – Wall Street Journal.</u>

This article maintains a positive sentiment by highlighting Dick’s Sporting Goods' position in the youth sports market. It explains how youth sports have become a 40 billion dollar industry, and DICK’S has been able to profit from families spending more on gear, clothing, and other sports-related items (Cohen, 2026). DICK’S has also strengthened its relationship with customers through its apps, such as the Gamechanger app, which lets teams livestream games, track stats, and manage team activities. Parents of youth athletes often use Gamechanger to monitor and manage different sports seasons. The app has over 9 million users, and made over $100 million in revenue in 2024 and nearly $150 million in 2025.

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Tools

I acknowledge the use of the Perplexity AI Research Assistant (https://perplexity.ai (https://perplexity.ai/)) to generate citations and summaries that were included within my final assessment in modified form. I entered the following prompts on March 14th, 2026:

- What is Dick's Sporting Goods' most recent news and announcements?
- How has Foot Locker's integration affected profits?