

DICKS SPORTING GOODS INC

Form 8-K

March 26, 2004

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

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

Date of Report March 23, 2004

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.)**

**200 Industry Drive, RIDC Park West, Pittsburgh,
Pennsylvania
(Address of principal executive offices)**

**15275
(Zip Code)**

(412) 809-0100

(Registrant's telephone number, including area code)

Former name or former address, if changed since last report: N/A

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ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

(c) Exhibits

Exhibit 99.1 Portions of the electronic slides used in the presentation by Dick's Sporting Goods, Inc. at the Merrill Lynch Retailing Leaders & Consumer Products Conference on March 23, 2004, furnished herewith.

ITEM 12. RESULTS OF OPERATIONS AND FINANCIAL CONDITION

This information and the exhibits hereto are being furnished and shall not be deemed to be filed for the purposes of Section 18 of, or otherwise regarded as filed under, the Securities Exchange Act of 1934, as amended. The information contained in this report shall not be incorporated by reference into any filing of the Registrant with the SEC, whether made before or after the date hereof, regardless of any general incorporation language in such filings.

On March 23, 2004, Dick's Sporting Goods, Inc. (the Company) presented at the Merrill Lynch Retailing Leaders & Consumer Products Conference. Portions of electronic slides used in that presentation are being furnished hereunder pursuant to Item 12 of Form 8-K. A copy of all the electronic slides from the presentation and the reconciliations of the non-GAAP measures used therein are posted on the investor relations portion of the Company's website.

Because the electronic slides being furnished hereunder also include certain non-GAAP financial information, the Company is also required as part of this Form 8-K to include in the form certain reconciliations. The following tables set forth reconciliations of that non-GAAP financial information in the furnished slides to the most directly comparable GAAP information for the stated periods. This non-GAAP financial information is as follows: EBITDA and ROIC for fiscal 2003 of \$107.4 million and 11.8%, respectively and EBITDA for the 13 weeks ended January 31, 2004 of \$48.2 million.

EBITDA should not be considered as an alternative to net income or any other generally accepted accounting principles measure of performance or liquidity. EBITDA, as the Company has calculated it, may not be comparable to similarly titled measures reported by other companies. EBITDA is a key metric used by the Company that provides a measurement of profitability that eliminates the effect of changes resulting from financing decisions, tax regulations, and capital investments.

ROIC, as the Company has calculated it, may not be comparable to similarly titled measures reported by other companies. ROIC is a key metric used by the Company in evaluating the efficiency of its use of capital including debt and lease commitments.

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| | 13 Weeks Ended January 31, 2004 | Fiscal 2003 |
|--|--|------------------------|
| EBITDA (Dollars in thousands) | | |
| Net income | \$ 25,988 | \$ 52,819 |
| Provision for income taxes | 17,326 | 35,212 |
| Interest expense, net | 285 | 1,831 |
| Depreciation and amortization | 4,561 | 17,554 |
| EBITDA | \$ 48,160 | \$107,416 |
| Return On Invested Capital (ROIC) (Dollars in thousands) | Fiscal 2003 | Fiscal 2002 |
| Net income | \$ 52,819 | \$ 38,264 |
| (Gain) on sale / loss on write-down of non cash investment after tax | (2,122) | 1,468 |
| Adjusted net income | 50,697 | 39,732 |
| Net Income for ROIC Calculation | 50,697 | 39,732 |
| Interest expense, net, after tax | 1,099 | 1,718 |
| Rent expense, net, after tax | 60,294 | 52,910 |
| Net Income for ROIC after adjustments (numerator) | \$ 112,090 | \$ 94,360 |
| Total stockholders' equity for ROIC calculation | \$ 242,981 | \$140,499 |
| Total debt | 3,916 | 3,577 |
| Operating leases capitalized at 8x annual rent expense | 803,912 | 705,464 |
| Total debt and operating leases capitalized at 8x annual rent expense | 807,828 | 709,041 |
| Total capital (total stockholders' equity + total debt and operating leases capitalized at 8x annual rent expense) | 1,050,809 | 849,540 |
| Average total capital (denominator) ¹ | \$ 950,175 | \$796,425 |
| ROIC | 11.8% | 11.8% |
| ROIC using GAAP amounts ² | 12.0% | 11.7% |

¹ Average total capital is calculated as the sum of the current and prior year ending total capital divided by two.

² ROIC using GAAP amounts was derived as the quotient of Net Income for ROIC not adjusted for the after tax (gain) on sale / loss on write-down of non-cash investment (numerator) and average total capital (denominator). The after-tax amounts were calculated using a 40% effective tax rate.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DICK S SPORTING GOODS, INC.

Date: March 25, 2004

By: /S/ MICHAEL F. HINES

Name: Michael F. Hines

Title: Chief Financial Officer

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