



THIRD QUARTER 2020 EARNINGS CONFERENCE CALL

December 2, 2020

FORWARD LOOKING STATEMENTS AND NON-GAAP MEASURES



This presentation includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 as contained in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements in this presentation include, but are not limited to, statements regarding our outlook for the fourth quarter and fiscal year 2020 opportunity for long-term growth via market share gains, ecommerce platform growth and new physical store expansion, opportunistic acquisitions, and the uncertainty of the coronavirus (COVID-19) pandemic. Investors can identify these statements by the fact that they use words such as "continue", "expect", "may", "opportunity", "plan", "future", "ahead" and similar terms and phrases. The Company cannot assure investors that future developments affecting the Company will be those that it has anticipated.

Actual results may differ materially from those indicated by these forward looking statements due to risks relating to, among other things, the potential effects of COVID-19 and measures intended to reduce its spread on our operations, our retail-based business model, general economic, market and other conditions, changes in consumer spending, our concentration of stores in the Western United States, competition in the outdoor activities and specialty retail market, changes in consumer demands or preferences, our expansion into new markets and planned growth, current and future government regulations, risks related to our continued retention of key management, our existing distribution center or our planned new distribution center, quality or safety concerns about our merchandise, events that may affect our vendors, trade restrictions, public health crises and social unrest, and other factors that are set forth in our filings with the Securities and Exchange Commission (the "SEC"), including under the caption "Risk Factors" in our Annual Report on Form 10-K for the year ended February 1, 2020, which was filed with the SEC on April 9, 2020 and our other public filings made with the SEC and available at www.sec.gov.

If one or more of these risks or uncertainties materialize, or if any of the Company's assumptions prove incorrect, the Company's actual results may vary in material respects from those projected in these forward-looking statements. Any forward-looking statement made by the Company in this release speaks only as of the date on which the Company makes it. Factors or events that could cause the Company's actual results to differ may emerge from time to time, and it is not possible for the Company to predict them all. The Company undertakes no obligation to publicly update 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.

In this presentation, we refer to "Adjusted EPS," "Adjusted Net Income," "Adjusted Income from Operations" and "Adjusted EBITDA," which are not financial measures prepared in accordance with Generally Accepted Accounting Principles ("GAAP"). For a reconciliation of these measures to the most directly comparable GAAP financial measure, see the Appendix to this presentation.

As used herein, unless the context otherwise requires, references to "Sportsman's," "Sportsman's Warehouse," "we," "us," and "our" refer to Sportsman's Warehouse Holdings, Inc.

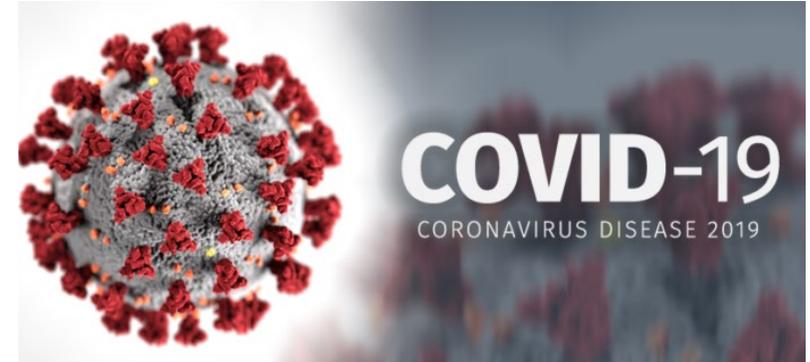


COMPANY & STRATEGIC OVERVIEW

Jon Barker

Chief Executive Officer

- All stores open and operational during Q3
- Continued focus on health and safety of associates and customers
 - Cleaning regimen
 - Face masks
 - Social distancing
 - Remote work where possible
- Supply trends
 - Goods continued to flow throughout the quarter
 - Worked closely with vendors to minimize disruptions
 - Inventory positions materially improved in all categories except shooting sports
- Demand trends
 - Elevated demand continued in Q3
 - Sales growth YOY in all major categories
- Providing Q4 and FY 2020 financial outlook



Sportsman's Warehouse Safely Served New and Returning Customers

✓ Hunting Participation Up Significantly

- Participation in hunting increased in many, if not all regions:
 - Michigan reported a YOY increase of 122% in hunting participation⁽¹⁾
 - Two months in, Pennsylvania hunting licenses up 5% YOY and during summer Pittsburgh public land usage was up 135%⁽²⁾
 - Indiana turkey permits increased 37% YOY⁽²⁾
 - Georgia reported number of turkey hunters increased 47%⁽²⁾
 - New York's hunter, bowhunter and trapper classes over-subscribed by 3,500 students⁽²⁾

✓ National Parks in High Demand

- “Business is Booming at National Parks”⁽³⁾
- “After a slow start to the summer tourism season, visitation is now booming at Yellowstone and many other national parks.”⁽³⁾

✓ Sportsman's Loyalty and Email Database (as of end of Q3)

- SPWH Loyalty Program expanded to nearly 2.6 million customers
- Overall email database grew 84% year-over-year



STRONG NET SALES IN Q3 ACROSS ALL CATEGORIES



Financial Results	Q3 2020	Q3 2019	YOY Var (\$)	YOY Var (%)
Net Sales (\$ in millions)	\$386	\$242	\$143	59%
Same Store Sales Growth ⁽¹⁾	41%	5%	NA	NA

- Net Sales growth of 59% YOY in Q3 driven primarily by the following factors:
 - Elevated participation in outdoor activities
 - Market share gains in firearms
 - Election cycle
 - Social unrest

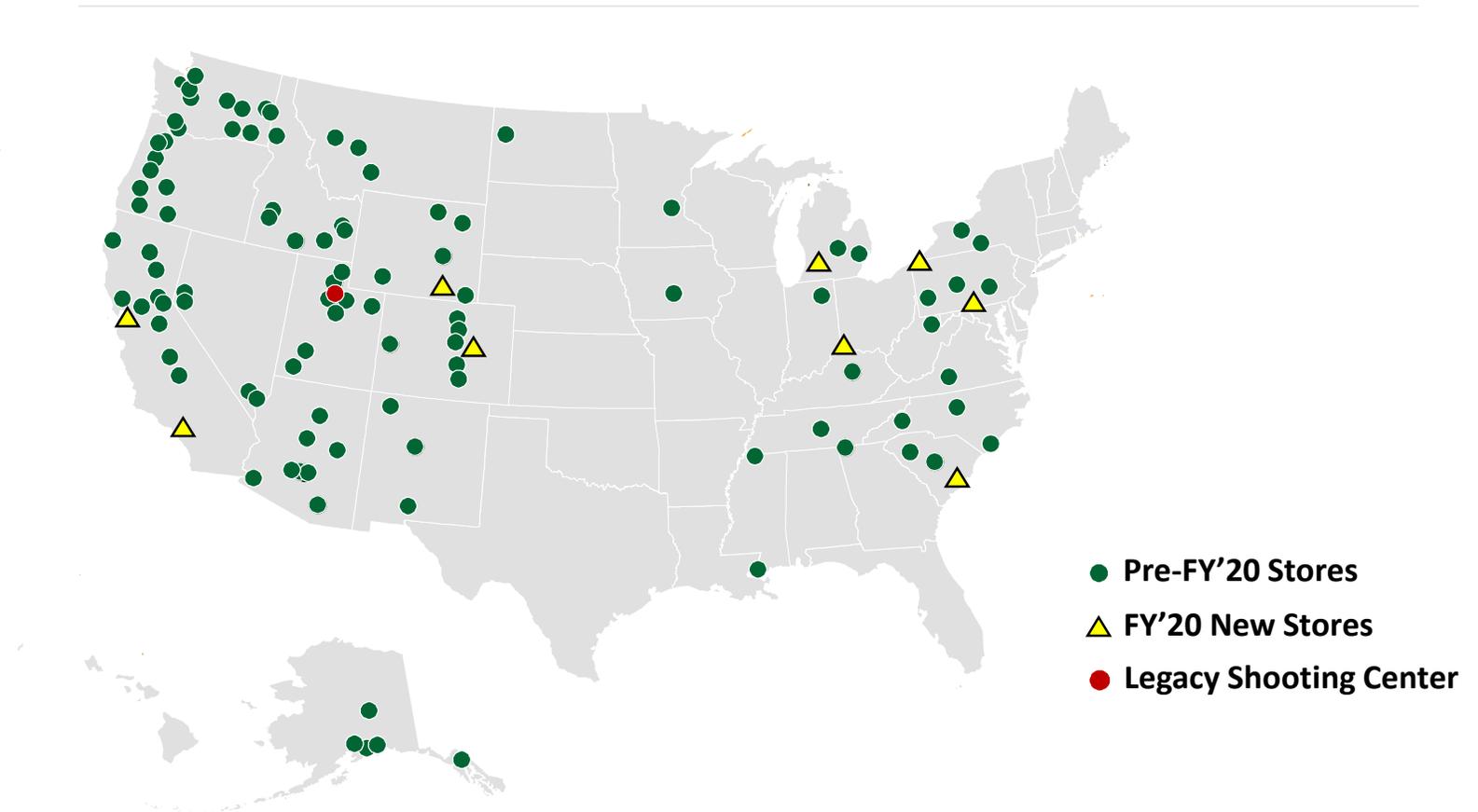
Category Net Sales	Q3 SSS ⁽¹⁾	YTD SSS ⁽¹⁾	Q3 Commentary
Firearms	98%	92%	Led by handguns and rifles
Ammunition	53%	70%	Led by loaded ammunition and gun parts
Camping	26%	32%	Broad strength, esp. cooking, sleeping bags
Fishing	25%	30%	Broad strength, esp. rods and reels
Footwear	8%	7%	Led by functional footwear (hunting boots)
Apparel	19%	6%	Led by functional apparel (camo, workwear)
Optics, Electronics, & Acc.	26%	25%	Led by optics and cutlery



HIGHLIGHTS

- Robust ecommerce sales growth with strong traffic to Sportsmans.com
 - Q3 ecommerce-driven sales +218% YOY
 - Ecommerce-driven sales account for over 10% of total net sales Q3 YTD 2020
- Triple digit growth in BOPIS and ship from store
- Opened 9 new SW stores⁽¹⁾ in 2020
 - Parker, CO
 - Crescent Springs, KY
 - Kalamazoo, MI
 - Laramie, WY
 - Chambersburg, PA
 - Charleston, SC
 - Erie, PA
 - Brentwood, CA
 - Corona, CA (*opened early Q4*)

U.S. FOOTPRINT



Ecommerce Sales Acceleration Complimented by New Store Growth

1

Uncertainty surrounding path of pandemic and its impact on the economy

2

Momentum continues in our core business through Q3 and we are optimistic for a strong holiday season

3

Beginning to capitalize on new customers gained in 2020 by engaging with them across product categories

4

Strong growth prospects due to heightened outdoor activity participation, ecommerce growth, and store expansion

5

Plan to report Q4 and FY 2020 results in late March

We Provide Outstanding Gear and Exceptional Service to Inspire Outdoor Memories



FINANCIAL RESULTS & OUTLOOK

Robert Julian

Chief Financial Officer

THIRD QUARTER 2020 FINANCIAL RESULTS



For the Thirteen Weeks Ended

	<u>October 31, 2020</u>	<u>% of net sales</u>	<u>November 2, 2019</u>	<u>% of net sales</u>	<u>YOY Variance</u>
Net sales	\$ 385,748	100.0%	\$ 242,466	100.0%	\$143,282
Cost of goods sold	255,166	66.1%	158,256	65.3%	96,910
Gross profit	130,582	33.9%	84,210	34.7%	46,372
Operating expenses:					
Selling, general and administrative expenses	92,252	23.9%	68,336	28.2%	23,916
Income from operations	38,330	10.0%	15,874	6.5%	22,456
Bargain purchase gain	(2,218)	(0.6%)	-	0.0%	(2,218)
Interest expense	536	0.1%	2,094	0.9%	(1,558)
Income before income tax expense	40,012	9.9%	13,780	5.6%	26,232
Income tax expense	9,530	2.5%	3,287	1.4%	6,243
Net income	\$ 30,482	7.4%	\$ 10,493	4.2%	\$ 19,989
Earnings per share					
Basic	\$ 0.70		\$ 0.24		\$ 0.46
Diluted	\$ 0.68		\$ 0.24		\$ 0.44
Weighted average shares outstanding					
Basic	43,609		43,230		379
Diluted	44,510		43,559		951

Significant Net Sales and EPS Growth in Third Quarter of 2020 Compared to PY

THIRD QUARTER YEAR-TO-DATE 2020 FINANCIAL RESULTS



For the Thirty-nine Weeks Ended

	<u>October 31, 2020</u>	<u>% of net sales</u>	<u>November 2, 2019</u>	<u>% of net sales</u>	<u>YOY Variance</u>
Net sales	\$ 1,013,572	100.0%	\$ 628,249	100.0%	\$385,323
Cost of goods sold	679,122	67.0%	416,644	66.3%	262,478
Gross profit	334,450	33.0%	211,605	33.7%	122,845
Operating expenses:					
Selling, general and administrative expenses	251,077	24.8%	191,326	30.5%	59,751
Income from operations	83,373	8.2%	20,279	3.2%	63,094
Bargain purchase gain	(2,218)	(0.2%)	-	0.0%	(2,218)
Interest expense	3,088	0.3%	6,552	1.0%	(3,464)
Income (loss) before income tax expense	82,503	7.9%	13,727	2.2%	68,776
Income tax expense (benefit)	20,691	2.0%	3,195	0.5%	17,496
Net Income	\$ 61,812	5.9%	\$ 10,532	1.7%	\$ 51,280
Earnings per share					
Basic	\$ 1.42		\$ 0.24		\$ 1.18
Diluted	\$ 1.40		\$ 0.24		\$ 1.15
Weighted average shares outstanding					
Basic	43,490		43,126		364
Diluted	44,260		43,316		944

Results Show Strong Top and Bottom Line Growth Year-Over-Year

BALANCE SHEET: INCREASINGLY AN AREA OF STRENGTH



BALANCE SHEET HIGHLIGHTS (as of quarter end)

(\$M)	Q3 20	Q3 19	YoY Δ
Total Liquidity <i>Cash Plus Availability on Revolving Credit Facility</i>	\$237.6	\$80.4	+195%
Merchandise Inventories	\$322.1	\$337.9	(5)%
Total Assets	\$697.0	\$673.0	+4%
Revolving Credit Facility	\$0.0	\$141.6	(100%)
Term Loan	\$8.0	\$30.0	(73%)
Total Debt	\$8.0	\$160.5	(95%)
Stockholders' Equity	\$174.1	\$99.8	+74%
Total Liabilities and Stockholder's Equity	\$697.0	\$673.0	+4%

Same Store 4-Wall Inventory
Down ~20% YoY

Debt-Free, Net of Cash

Debt Reduction
Paid off \$153 million YOY

Total Liquidity Up Significantly Year-Over-Year

Q4 AND FISCAL YEAR 2020 OUTLOOK



Net Sales

Q4 2020:
\$356 – \$386 million

FY 2020:
\$1.37 – \$1.40 billion

SSS Growth

Q4 2020:
32.0% – 42.0%

FY 2020:
42.0% – 46.0%

Adj. EBITDA

Q4 2020:
\$31.0 – \$35.0 million

FY 2020:
\$143.6 – \$147.2 million

Adj. EPS

Q4 2020:
\$0.39 – \$0.45

FY 2020:
\$1.87 – \$1.93

CAPEX

Q4 2020:
\$2.0 – \$4.0 million

FY 2020:
\$17.0 – \$19.0 million



Continued Strong Trends for Sportsman's Warehouse



SPORTSMAN'S
WAREHOUSE

APPENDIX

NON-GAAP TO GAAP RECONCILIATION TABLE (1 OF 2)



Reconciliation of GAAP net income and GAAP dilutive earnings per share to adjusted net income and adjusted diluted earnings per share:

	For the Thirteen Weeks Ended		For the Thirty-Nine Weeks Ended	
	October 31, 2020	November 2, 2019	October 31, 2020	November 2, 2019
Numerator:				
Net income	\$ 30,482	\$ 10,493	\$ 61,813	\$ 10,532
Acquisition costs (1)	297	-	332	387
Hazard pay (2)	2,000	-	4,600	-
Store closing write-off (3)	-	-	1,039	-
Legal accrual (4)	2,125	-	2,125	-
Gain on bargain purchase (6)	(2,218)	-	(2,218)	-
Executive transition costs (5)	-	387	-	623
Less tax benefit	(1,154)	(100)	(2,113)	(262)
Adjusted net income	<u>\$ 31,532</u>	<u>\$ 10,780</u>	<u>\$ 65,578</u>	<u>\$ 11,280</u>
Denominator:				
Diluted weighted average shares outstanding	44,414	43,559	44,260	43,316
Reconciliation of earnings per share:				
Dilutive earnings per share	\$ 0.69	\$ 0.24	\$ 1.40	\$ 0.24
Impact of adjustments to numerator and denominator	0.02	0.01	0.08	0.02
Adjusted diluted earnings per share	<u>\$ 0.71</u>	<u>\$ 0.25</u>	<u>\$ 1.48</u>	<u>\$ 0.26</u>

(1) Expenses incurred relating to the acquisition of Field & Stream stores.

(2) Expense incurred relating to bonuses and increased wages paid to front-line and non-executive back office associates due to COVID-19.

(3) Costs and impairments recorded relating to the closure of one store during the first quarter of 2020.

(4) Accrual relating to pending labor litigation in the state of California.

(5) Costs incurred for the recruitment and hiring of key members of management.

(6) Excess of fair value over the purchase price of tangible assets acquired in connection with the Field & Stream stores acquired during fiscal year 2020.

NON-GAAP TO GAAP RECONCILIATION TABLE (2 OF 2)



Reconciliation of net income to adjusted EBITDA:

	For the Thirteen Weeks Ended		For the Thirty-Nine Weeks Ended	
	October 31, 2020	November 2, 2019	October 31, 2020	November 2, 2019
Net income	\$ 30,482	\$ 10,493	\$ 61,813	\$ 10,532
Interest expense	465	2,094	3,016	6,552
Income tax expense (benefit)	9,530	3,287	20,691	3,195
Depreciation and amortization	5,404	4,832	16,085	14,090
Stock-based compensation expense (7)	882	619	2,436	1,567
Pre-opening expenses (8)	958	1,482	1,778	2,483
Acquisition costs (1)	297	387	332	387
Hazard pay (2)	2,000	-	4,600	-
Store closing write-off (3)	-	-	1,039	-
Gain on bargain purchase (6)	(2,218)	-	(2,218)	-
Legal accrual (4)	2,125	-	2,125	-
Executive transition costs (5)	-	-	-	623
Adjusted EBITDA	\$ 49,925	\$ 23,194	\$ 111,697	\$ 39,429

(1) Expenses incurred relating to the acquisition of Field & Stream stores.

(2) Expense incurred relating to bonuses and increased wages paid to front-line and non-executive back office associates due to COVID-19.

(3) Costs and impairments recorded relating to the closure of one store during the first quarter of 2020.

(4) Accrual relating to pending labor litigation in the state of California.

(5) Costs incurred for the recruitment and hiring of key members of management.

(6) Excess of fair value over the purchase price of tangible assets acquired in connection with the Field & Stream stores acquired during fiscal year 2020.

(7) Stock-based compensation expense represents non-cash expenses related to equity instruments granted to employees under our 2019 Performance Incentive Plan and employee stock purchase plan.

(8) Pre-opening expenses include expenses incurred in the preparation and opening of a new store location, such as payroll, travel and supplies, but do not include the cost of the initial inventory or capital expenditures required to open a location.

RECONCILIATION OF OUTLOOK FOR Q4 AND FY 2020



Reconciliation of fourth quarter and 2020 fiscal year guidance:

	Estimated Q4 '20		Estimated FY '20	
	Low	High	Low	High
Numerator:				
Net income	\$ 17,160	\$ 19,800	\$ 78,973	\$ 81,613
Acquisition costs (1)	-	-	332	332
Hazard pay (2)	-	-	4,600	4,600
Store closing write-off (3)	-	-	1,039	1,039
Legal accrual (4)	-	-	2,125	2,125
Gain on bargain purchase (5)	-	-	(2,218)	(2,218)
Less tax benefit	-	-	(2,113)	(2,113)
Adjusted net income	\$ 17,160	\$ 19,800	\$ 82,738	\$ 85,378
Denominator:				
Diluted weighted average shares outstanding	44,450	44,450	44,300	44,300
Reconciliation of earnings per share:				
Diluted earnings per share	\$ 0.39	\$ 0.45	\$ 1.78	\$ 1.84
Impact of adjustments to numerator and denominator	-	\$ -	0.08	0.08
Adjusted diluted earnings per share	\$ 0.39	\$ 0.45	\$ 1.87	\$ 1.93

(1) Expenses incurred relating to the acquisition of Field & Stream stores.

(2) Expense incurred relating to bonuses and increased wages paid to front-line and non-executive back office associates due to COVID-19.

(3) Costs and impairments recorded relating to the closure of one store during the first quarter of 2020.

(4) Accrual relating to pending labor litigation in the state of California.

(5) Excess of fair value over the purchase price of tangible assets acquired in connection with the Field & Stream stores acquired during fiscal year 2020.