

**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 (Date of earliest event reported): May 2, 2023**

**BIG 5 SPORTING GOODS CORPORATION**

(Exact name of registrant as specified in charter)

**Delaware**  
(State or Other Jurisdiction  
of Incorporation)

**000-49850**  
(Commission  
File Number)

**95-4388794**  
(IRS Employer  
Identification No.)

**2525 East El Segundo Boulevard,  
El Segundo, California**  
(Address of principal executive office)

**90245**  
(Zip Code)

**Registrant's telephone number, including area code: (310) 536-0611**

**N/A**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	BGFV	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 2.02 Results of Operations and Financial Condition.**

On May 2, 2023, Big 5 Sporting Goods Corporation issued a press release in which, among other things, it reported financial results for its fiscal 2023 first quarter ended April 2, 2023.

The press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information in Item 2.02 of this Current Report on Form 8-K, including Exhibit 99.1, is furnished pursuant to Item 2.02, “Results of Operations and Financial Condition” and shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to liability under that Section, except as specifically incorporated by reference into a filing under the Securities Act of 1933, as amended, or the Exchange Act.

**Item 9.01. Financial Statements and Exhibits.**

<u>Exhibit No.</u>	<u>Description</u>
99.1	<a href="#">Press release, dated April 2, 2023, issued by Big 5 Sporting Goods Corporation.</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

**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 hereunto duly authorized.

BIG 5 SPORTING GOODS CORPORATION  
(Registrant)

Date: May 2, 2023

/s/ Barry D. Emerson

Barry D. Emerson  
Executive Vice President, Chief Financial Officer and  
Treasurer



Contact:

Big 5 Sporting Goods Corporation  
Barry Emerson  
Executive Vice President and Chief Financial Officer  
(310) 536-0611

ICR, Inc.  
Jeff Sonnek  
Managing Director  
(646) 277-1263

## **BIG 5 SPORTING GOODS CORPORATION ANNOUNCES FISCAL 2023 FIRST QUARTER RESULTS**

- **Declares Quarterly Cash Dividend of \$0.25 Per Share**

**EL SEGUNDO, Calif., May 02, 2023** — Big 5 Sporting Goods Corporation (Nasdaq: BGFV) (the “Company,” “we,” “our,” “us,” “Big 5”), a leading sporting goods retailer, today reported financial results for the fiscal 2023 first quarter ended April 2, 2023.

Steven G. Miller, the Company’s Chairman, President and Chief Executive Officer, said “We achieved earnings near the midpoint of our guidance range, as we benefitted from favorable expense results relative to plan, which partially offset topline headwinds from deteriorating macroeconomic conditions and unfavorable weather over the last month of the quarter. Although our business benefitted from favorable winter weather during the first half of the quarter, when the winter weather persisted into the start of spring with unseasonably cold temperatures and record levels of rainfall across much of our geography, it negatively impacted the start of the baseball season and other spring recreational activities.”

Mr. Miller continued, “As we begin the second quarter, the macro environment is continuing to pressure our customers’ discretionary spending. We remain focused on navigating the challenging conditions by driving healthy merchandise margins and managing our cost structure in an effort to offset inflationary pressures. Despite the tough economy, we are excited about our product assortment for the spring and summer seasons and are hopeful that the wet winter will alleviate drought conditions and lead to favorable summer recreation opportunities.”

Net sales for the fiscal 2023 first quarter were \$224.9 million compared to net sales of \$242.0 million for the first quarter of fiscal 2022. Same store sales decreased 7.1% for the first quarter of fiscal 2023 compared to the first quarter of fiscal 2022.

Gross profit for the fiscal 2023 first quarter was \$75.1 million, compared to \$85.9 million in the first quarter of the prior year. The Company's gross profit margin was 33.4% in the fiscal 2023 first quarter versus 35.5% in the first quarter of the prior year. The decrease in gross profit margin compared with the prior year primarily reflects higher store occupancy and distribution expense, including costs capitalized into inventory, as a percentage of net sales, and a slight decrease in merchandise margins. While the Company's merchandise margins decreased by 23 basis points for the first quarter of fiscal 2023 compared to the first quarter of fiscal 2022, merchandise margins continued to run several hundred basis points ahead of pre-pandemic rates, supported by the evolution of the Company's pricing and promotional strategy.

Overall selling and administrative expense for the quarter decreased by \$0.1 million from the prior year, primarily reflecting lower performance-based incentive accruals and advertising expense, almost fully offset by continued upward pressure on labor costs and other broad-based inflationary impacts. As a percentage of net sales, selling and administrative expense increased to 33.4% in the fiscal 2023 first quarter, compared to 31.1% in the fiscal 2022 first quarter due to the lower sales base.

Net income for the first quarter of fiscal 2023 was \$0.2 million, or \$0.01 per diluted share. This compares to net income of \$9.1 million, or \$0.41 per diluted share in the first quarter of fiscal 2022.

EBITDA was \$4.5 million for the first quarter of fiscal 2023 compared to \$15.0 million in the prior year period. EBITDA and Adjusted EBITDA are non-GAAP financial measures. See "Non-GAAP Financial Measures" below for more details and a reconciliation of non-GAAP EBITDA and Adjusted EBITDA to the most comparable GAAP measure, net income.

### **Balance Sheet**

The Company ended the 2023 fiscal first quarter with no borrowings under its credit facility and with a cash and cash equivalent balance of \$27.5 million. This compares to no borrowings under the Company's credit facility and \$25.6 million of cash and cash equivalents as of the end of the 2022 fiscal year. Merchandise inventories as of the end of the first quarter increased by 5.3% compared to the prior year period which was impacted by supply chain disruptions, partially offset by strong sell-through of winter inventory this season.

### **Quarterly Cash Dividend**

The Company's Board of Directors has declared a quarterly cash dividend of \$0.25 per share of outstanding common stock, which will be paid on June 15, 2023 to stockholders of record as of June 1, 2023.

## Second Quarter Guidance

For the fiscal 2023 second quarter, the Company expects same store sales to decrease in the high single-digit range compared to the fiscal 2022 second quarter. The Company's same store sales guidance reflects an expectation that macroeconomic headwinds will continue to impact discretionary consumer spending over the balance of the second quarter. Fiscal 2023 second quarter earnings per share is expected in the range of negative \$0.10 to positive \$0.05, which compares to fiscal 2022 second quarter earnings per diluted share of \$0.41.

## Store Openings

The Company currently has 430 stores in operation, which reflects two store closures during the fiscal 2023 first quarter. During the remainder of fiscal 2023, the Company expects to open approximately five new stores, relocate one store, and close approximately three stores.

## Conference Call Information

The Company will host a conference call to discuss these results and provide additional comments and details. The conference call is scheduled to begin at 2:00 p.m. Pacific Time on Tuesday, May 2, 2023. To access the conference call, participants in North America may dial (877) 407-9039 and international participants may dial (201) 689-8470. Participants are encouraged to dial in to the conference call ten minutes prior to the scheduled start time.

In addition, the call will be broadcast live over the Internet and accessible through the Company's website at [www.big5sportinggoods.com](http://www.big5sportinggoods.com). Visitors to the website should select the "Investor Relations" link to access the webcast. The webcast will be archived and accessible on the same website for 30 days following the call. A telephonic replay will be available through Tuesday, May 9, 2023 by calling (844) 512-2921 to access the playback; the passcode is 13738245.

## About Big 5 Sporting Goods Corporation

Big 5 is a leading sporting goods retailer in the western United States, currently operating 430 stores under the "Big 5 Sporting Goods" name. Big 5 provides a full-line product offering in a traditional sporting goods store format that averages 12,000 square feet. Big 5's product mix includes athletic shoes, apparel and accessories, as well as a broad selection of outdoor and athletic equipment for team sports, fitness, camping, hunting, fishing, home recreation, tennis, golf, and winter and summer recreation.

*Except for historical information contained herein, the statements in this release are forward-looking and made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve known and unknown risks and uncertainties and other factors that may cause Big 5's actual results in current or future periods to differ materially from forecasted results. These risks and uncertainties include, among other things, the economic impacts of COVID-19, including any potential variants, on Big 5's business operations, including as a result of regulations that may be issued in response to COVID-19, global supply chain disruptions resulting from the ongoing conflict in Ukraine, changes in the consumer spending environment, fluctuations in consumer holiday spending*

patterns, increased competition from e-commerce retailers, breach of data security or other unauthorized disclosure of sensitive personal or confidential information, the competitive environment in the sporting goods industry in general and in Big 5's specific market areas, inflation, product availability and growth opportunities, changes in the current market for (or regulation of) firearm-related products, a reduction or loss of product from a key supplier, disruption in product flow, seasonal fluctuations, weather conditions, changes in cost of goods, operating expense fluctuations, increases in labor and benefit-related expense, changes in laws or regulations, including those related to tariffs and duties, as well as environmental, social and governance issues, public health issues (including those caused by COVID-19 or any potential variants), impacts from civil unrest or widespread vandalism, lower than expected profitability of Big 5's e-commerce platform or cannibalization of sales from Big 5's existing store base which could occur as a result of operating the e-commerce platform, litigation risks, stockholder campaigns and proxy contests, risks related to Big 5's historically leveraged financial condition, changes in interest rates, credit availability, higher expense associated with sources of credit resulting from uncertainty in financial markets and economic conditions in general. Those and other risks and uncertainties are more fully described in Big 5's filings with the Securities and Exchange Commission, including its Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q. Big 5 conducts its business in a highly competitive and rapidly changing environment. Accordingly, new risk factors may arise. It is not possible for management to predict all such risk factors, nor to assess the impact of all such risk factors on Big 5's business or the extent to which any individual risk factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement. Big 5 undertakes no obligation to revise or update any forward-looking statement that may be made from time to time by it or on its behalf.

### **Non-GAAP Financial Measures**

In addition to reporting our financial results in accordance with generally accepted accounting principles ("GAAP"), we are providing non-GAAP earnings before interest, income tax expense, depreciation and amortization ("EBITDA") and any other adjustments ("Adjusted EBITDA"). EBITDA and Adjusted EBITDA are not prepared in accordance with GAAP and exclude certain items presented below. We use EBITDA and Adjusted EBITDA internally for forecasting purposes and as factors to evaluate our operating performance. We believe that Adjusted EBITDA provides useful information to both management and investors by excluding certain expenses, gains and losses that may not be indicative of core operating results and business outlook. While we believe that EBITDA and Adjusted EBITDA can be useful to investors in evaluating our period-to-period operating results, this information should be considered supplemental and is not a substitute for financial information prepared in accordance with GAAP. In addition, our definition or calculation of these non-GAAP measures may differ from similarly titled measures used by other companies, limiting the usefulness of this financial measure for comparison to other companies. We believe the GAAP measure that is most comparable to non-GAAP EBITDA and Adjusted EBITDA is net income, and a reconciliation of our non-GAAP EBITDA and Adjusted EBITDA to GAAP net income is provided below.

	<u>13 Weeks Ended</u>	
	<u>April 2, 2023</u>	<u>April 3, 2022</u>
	(In thousands)	
GAAP net income (as reported)	\$ 193	\$ 9,103
- Interest (income); + interest expense (as reported)	(115)	184
- Income tax (benefit); + income tax expense (as reported)	(107)	1,329
+ Depreciation and amortization (as reported)	4,510	4,410
EBITDA	<u>\$4,481</u>	<u>\$15,026</u>
Adjusted EBITDA	<u>\$4,481</u>	<u>\$15,026</u>

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**FINANCIAL TABLES FOLLOW**



**BIG 5 SPORTING GOODS CORPORATION**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**

(Unaudited)

(In thousands, except share amounts)

	April 2, 2023	January 1, 2023
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 27,459	\$ 25,565
Accounts receivable, net of allowances of \$47 and \$44, respectively	11,234	12,270
Merchandise inventories, net	315,415	303,493
Prepaid expenses	15,116	16,632
Total current assets	<u>369,224</u>	<u>357,960</u>
Operating lease right-of-use assets, net	269,654	276,016
Property and equipment, net	55,714	58,311
Deferred income taxes	10,098	9,991
Other assets, net of accumulated amortization of \$1,475 and \$1,359, respectively	7,145	6,515
Total assets	<u>\$711,835</u>	<u>\$708,793</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 92,445	\$ 67,417
Accrued expenses	60,925	70,261
Current portion of operating lease liabilities	68,881	70,584
Current portion of finance lease liabilities	2,881	3,217
Total current liabilities	<u>225,132</u>	<u>211,479</u>
Operating lease liabilities, less current portion	209,406	214,584
Finance lease liabilities, less current portion	6,637	7,089
Other long-term liabilities	7,106	6,857
Total liabilities	<u>448,281</u>	<u>440,009</u>
Commitments and contingencies		
Stockholders' equity:		
Common stock, \$0.01 par value, authorized 50,000,000 shares; issued 26,701,426 and 26,491,750 shares, respectively; outstanding 22,394,171 and 22,184,495 shares, respectively	266	264
Additional paid-in capital	126,627	126,512
Retained earnings	190,918	196,265
Less: Treasury stock, at cost; 4,307,255 shares	<u>(54,257)</u>	<u>(54,257)</u>
Total stockholders' equity	263,554	268,784
Total liabilities and stockholders' equity	<u>\$711,835</u>	<u>\$708,793</u>

**BIG 5 SPORTING GOODS CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

(Unaudited)

(In thousands, except per share data)

	13 Weeks Ended	
	April 2, 2023	April 3, 2022
Net sales	\$224,939	\$241,981
Cost of sales	149,795	156,048
Gross profit	75,144	85,933
Selling and administrative expense	75,173	75,317
Operating (loss) income	(29)	10,616
Interest (income) expense	(115)	184
Income before income taxes	86	10,432
Income tax (benefit) expense	(107)	1,329
Net income	<u>\$ 193</u>	<u>\$ 9,103</u>
Earnings per share:		
Basic	<u>\$ 0.01</u>	<u>\$ 0.42</u>
Diluted	<u>\$ 0.01</u>	<u>\$ 0.41</u>
Weighted-average shares of common stock outstanding:		
Basic	<u>21,629</u>	<u>21,680</u>
Diluted	<u>21,949</u>	<u>22,300</u>