



SECOND QUARTER 2020 EARNINGS CONFERENCE CALL

September 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 opportunity for long-term growth and profitability via market share gains, ecommerce platform growth and store footprint expansion, impact of the upcoming election cycles 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 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 (Loss) 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.

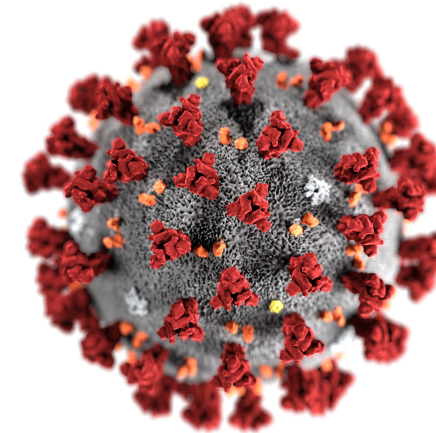
As used herein, unless the context otherwise requires, references to "Sportsman's," "Sportsman's Warehouse," "we," "us," and "our" refer to Sportsman's Warehouse Holdings, Inc.



Jon Barker
Chief Executive Officer

COMPANY & STRATEGIC OVERVIEW

- All stores open and operational
- Protected health and safety of associates and customers
 - Cleaned and sanitized
 - Face masks for all store associates and distribution center associates
 - Clear plastic barriers at registers and in customer service
- Continuity of supply
 - Intermittent disruption from suppliers related to COVID-19
 - Worked closely with vendors to mitigate impact
- Demand trends
 - Sales accelerated in Q2
 - Demand surged across all major categories
- Not providing forward guidance due to economic uncertainty



Sportsman's Warehouse Continuing to Safely Serve Customers

✓ Sportsman's Loyalty and Emails (as of end of Q2)

- SPWH Loyalty Program expanded to nearly 2.5 million customers
- Overall email database grew 68% year-over-year

✓ Fishing and Hunting

- Hunting and fishing licenses increased (ex. Colorado has issued 90,000 more fishing licenses in 2020 than in 2019)⁽¹⁾
- Youth participation up substantially (ex. Minnesota youth fishing licenses up 34% YOY)⁽²⁾
- Nearly 5 million first-time firearm purchases in U.S. in 2020 through July⁽³⁾

✓ Camping and Hiking

- “In the COVID-19 world, camping might be the hottest getaway around”⁽⁴⁾
- 43% of Americans plan to do more outdoor activities⁽⁵⁾



STRONG NET SALES IN Q2 ACROSS ALL CATEGORIES



Financial Results	Q2 2020	Q2 2019	YOY Var (\$)	YOY Var (%)
Net Sales (\$ in millions)	\$381	\$212	\$169	80%
Same Store Sales Growth ⁽¹⁾	61%	2%	NA	NA

- Net Sales growth of 80% YOY in Q2 driven primarily by the following factors:
 - Market share gains
 - Surge in outdoor activity participation
 - Social unrest

Category Net Sales	Q2 SSS	YTD SSS	Q2 Commentary
Firearms	123%	92%	Led by personal defense, esp. handguns
Ammunition	75%	82%	Led by loaded ammunition
Camping	46%	36%	Broad strength, esp. tents, outdoor cooking
Fishing	45%	32%	Broad strength, esp. rods and reels
Footwear	30%	6%	Led by functional footwear (waders, etc.)
Apparel	19%	(4%)	Led by functional apparel (camo, workwear)

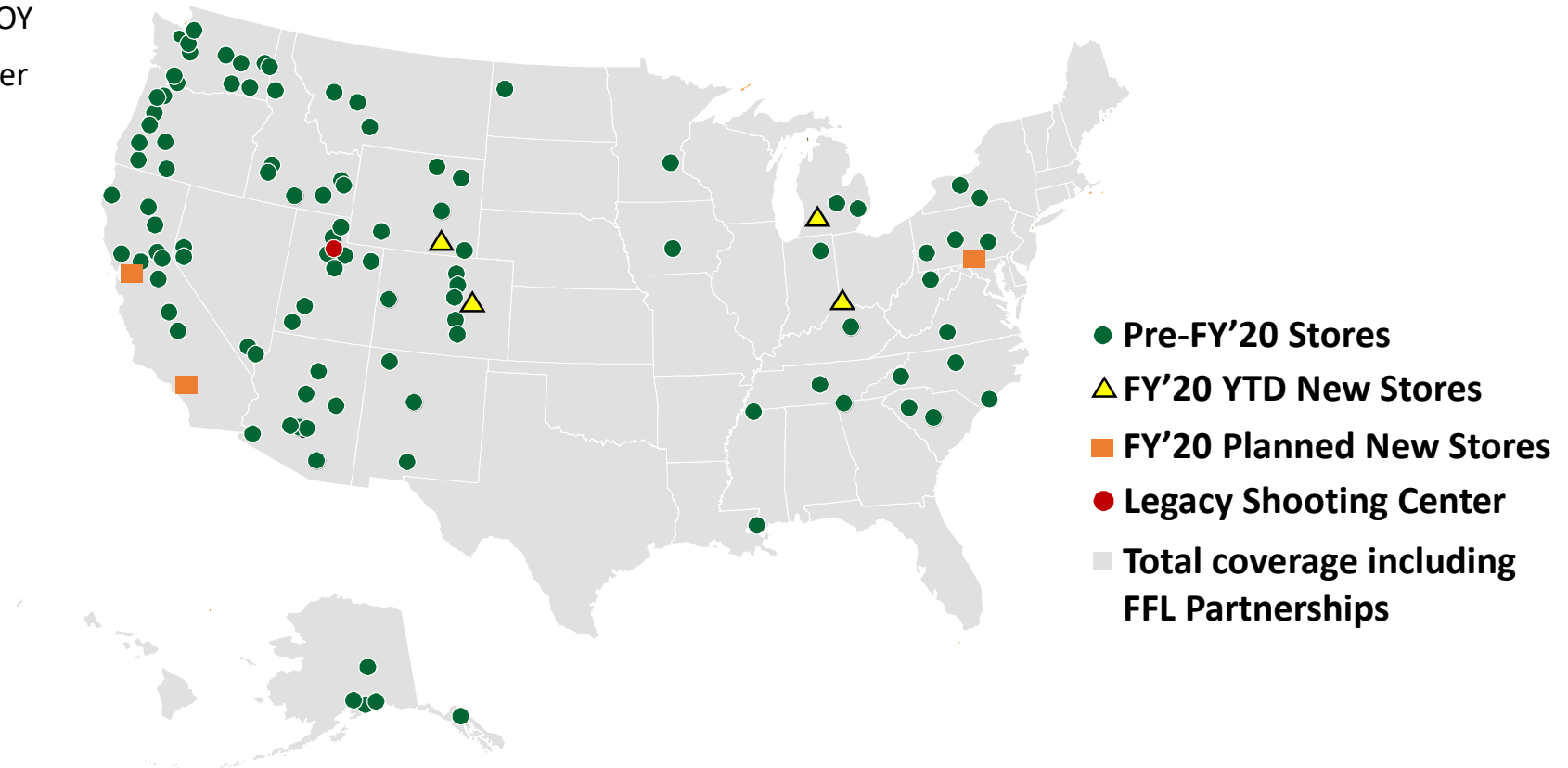
- Gross Profit dollars up YOY while Gross Margin rate negatively impacted by mix



HIGHLIGHTS

- Significant growth in ecommerce business
 - Q2 ecommerce-driven sales up over 300% YOY
 - Ecommerce-driven sales now account for over 10% of total net sales
- Plan to open 7 new SW stores in 2020
 - Opened 4 new stores YTD
 - Parker, CO (former Gander)
 - Crescent Springs, KY (former F&S)
 - Kalamazoo, MI (former F&S)
 - Laramie, WY (small-format)
 - Additional new stores on track
 - Brentwood, CA
 - Corona, CA
 - Chambersburg, PA
- Legacy Shooting Center performing well

U.S. FOOTPRINT



Expanding Online Presence and Pursuing Additional Stores

1

Significant momentum in our core business coming out of Q2 as we engage with many new customers

2

The upcoming election cycle and economic uncertainty could influence our business in the near-term

3

Substantial opportunity for long-term growth and profitability via market share gains, ecommerce platform growth and store footprint expansion

4

Laser focus on execution from both an operational and a strategic perspective

5

Plan to report Q3 2020 results in early December

We Provide Outstanding Gear and Exceptional Service to Inspire Outdoor Memories



Robert Julian
Chief Financial Officer

FINANCIAL RESULTS & FULL YEAR 2020 COMMENTARY

SECOND QUARTER 2020 FINANCIAL RESULTS



For the Thirteen Weeks Ended

	<i>August 1, 2020</i>	<i>% of net sales</i>	<i>August 3, 2019</i>	<i>% of net sales</i>	<i>Variance</i>
Net sales	\$ 380,989	100.0%	\$ 211,766	100.0%	\$ 169,223
Cost of goods sold	251,896	66.1%	138,544	65.4%	113,352
Gross profit	129,093	33.9%	73,222	34.6%	55,871
Operating expenses:					
Selling, general and administrative expenses	83,606	21.9%	63,460	30.0%	20,146
Income from operations	45,487	12.0%	9,762	4.6%	35,725
Interest expense	1,017	0.3%	2,353	1.1%	(1,336)
Income before income tax expense	44,470	11.7%	7,409	3.5%	37,061
Income tax expense	12,008	3.2%	1,911	0.9%	10,097
Net income	\$ 32,462	8.5%	\$ 5,498	2.6%	\$ 26,964
Earnings per share					
Basic	\$ 0.75		\$ 0.13		\$ 0.62
Diluted	\$ 0.73		\$ 0.13		\$ 0.60
Weighted average shares outstanding					
Basic	43,537		43,130		407
Diluted	44,368		43,155		1,213

Considerable Net Sales and Adjusted EPS Growth in Second Quarter of 2020 Compared to PY

FIRST HALF 2020 FINANCIAL RESULTS



For the Twenty-six Weeks Ended

	<i>August 1, 2020</i>	<i>% of net sales</i>	<i>August 3, 2019</i>	<i>% of net sales</i>	<i>Variance</i>
Net sales	\$ 627,824	100.0%	\$ 385,783	100.0%	\$242,041
Cost of goods sold	423,957	67.5%	258,388	67.0%	165,569
Gross profit	203,867	32.5%	127,395	33.0%	76,472
Operating expenses:					
Selling, general and administrative expenses	158,825	25.3%	122,990	31.9%	35,835
Income from operations	45,042	7.2%	4,405	1.1%	40,637
Interest expense	2,551	0.4%	4,458	1.2%	(1,907)
Income (loss) before income tax expense	42,491	6.8%	(53)	(0.1%)	42,544
Income tax expense (benefit)	11,159	1.8%	(92)	0.0%	11,251
Net Income	\$ 31,332	5.0%	\$ 39	(0.1%)	\$ 31,293
Earnings per share					
Basic	\$ 0.72		\$ 0.00		\$ 0.72
Diluted	\$ 0.71		\$ 0.00		\$ 0.71
Weighted average shares outstanding					
Basic	43,430		43,065		365
Diluted	44,098		43,090		1,008

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

BALANCE SHEET: AN AREA OF STRENGTH



BALANCE SHEET HIGHLIGHTS (as of quarter end)






(\$M)	Q2 20	Q2 19	YoY Δ
Total Liquidity <i>Cash Plus Availability on Revolving Credit Facility</i>	\$183.5	\$52.9	+247%
Merchandise Inventories	\$296.8	\$289.3	+3%
Total Assets	\$646.8	\$584.5	+11%
ABL Working Capital Facility	\$2.9	\$127.1	(98%)
Term Loan	\$15.9	\$31.7	(50%)
Total Debt	\$18.8	\$158.8	(88%)
Stockholders' Equity	\$143.3	\$88.7	+62%
Total Liabilities and Stockholder's Equity	\$646.8	\$584.5	+11%

Inventory Per Store
Down 9% YoY

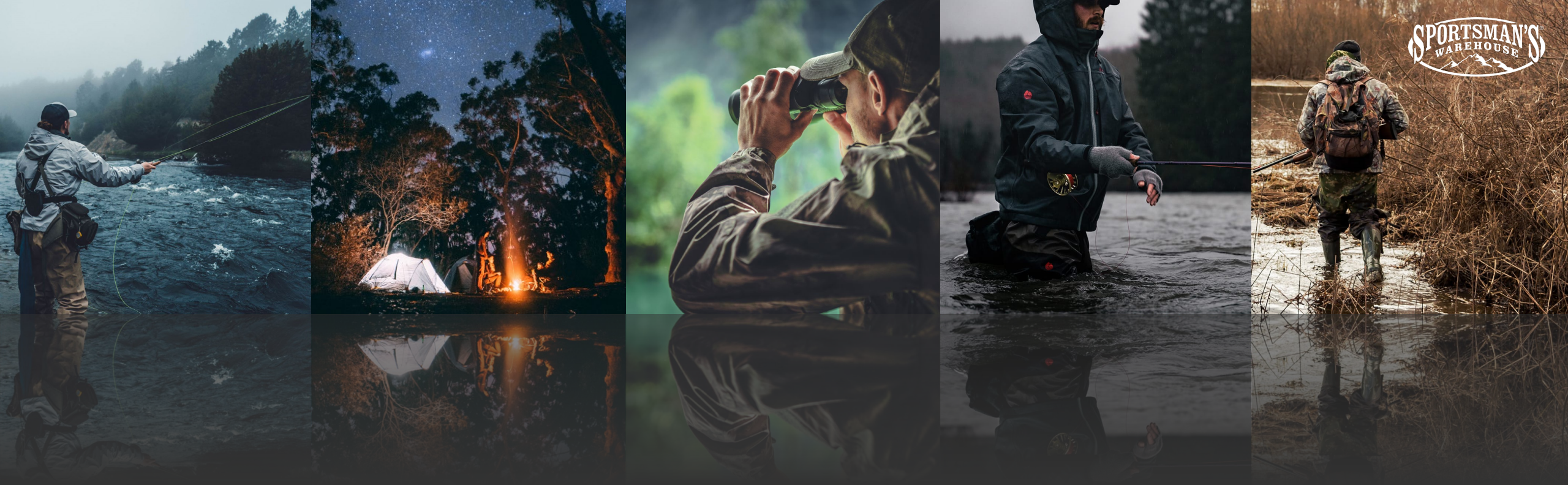
Net Debt
Down 96% YoY

**Net Cash from
Operating Activities**
Increased 311% (+\$110M)

Strong Cash Flow Generated in Q2 Allowed for Significant Debt Pay Down

New Stores	Gross Margin	Tax Rate	Interest Exp.	Cap. Ex.
<p>FY new SW stores: 7</p> <ul style="list-style-type: none"> - 4 opened YTD - 3 more planned <p>FY new Legacy Shooting Centers: 1</p>	<p>Pressure from product and channel mix, partially offset by more full-price sales and volume incentives</p>	<p>FY Tax Rate: Approximately 27%</p>	<p>FY Interest Expense: Approximately \$4 million</p>	<p>FY Capital Expenditures: Approximately \$20 million to \$25 million</p>
				

2020 On Track to be an Exceptional Year for Sportsman's Warehouse



APPENDIX

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



Reconciliation of GAAP income from operations to adjusted income from operations:

	For the Thirteen Weeks Ended		For the Twenty-six Weeks Ended	
	August 1, 2020	August 3, 2019	August 1, 2020	August 3, 2019
Income from operations	\$ 45,487	\$ 9,762	\$ 45,042	\$ 4,405
Acquisition costs (1)	6	-	35	-
Hazard pay (2)	1,500	-	2,600	-
Store closing write-off (3)	-	-	1,039	-
Executive transition costs (4)	-	266	-	623
Adjusted income from operations	\$ 46,993	\$ 10,028	\$ 48,716	\$ 5,028

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

Numerator:

Net income	\$ 32,462	\$ 5,498	\$ 31,332	\$ 39
Acquisition costs (1)	6	-	35	-
Hazard pay (2)	1,500	-	2,600	-
Store Closing Write-off (3)	-	-	1,039	-
Executive Transition Costs (4)	-	266	-	623
Less tax benefit	(408)	(69)	(997)	(161)
Adjusted net income	\$ 33,560	\$ 5,695	\$ 34,009	\$ 501

Denominator:

Diluted weighted average shares outstanding	44,414	43,155	44,136	43,090
---	--------	--------	--------	--------

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

(5) 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.

(6) 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.

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



Reconciliation of GAAP income from operations to adjusted income from operations:

	For the Thirteen Weeks Ended		For the Twenty-six Weeks Ended	
	August 1, 2020	August 3, 2019	August 1, 2020	August 3, 2019
Reconciliation of earnings per share:				
Dilutive earnings per share	\$ 0.73	\$ 0.13	\$ 0.71	\$ -
Impact of adjustments to numerator and denominator	0.03	-	0.06	0.01
Adjusted diluted earnings per share	<u>\$ 0.76</u>	<u>\$ 0.13</u>	<u>\$ 0.77</u>	<u>\$ 0.01</u>
Reconciliation of net income to adjusted EBITDA:				
Net income	\$ 32,462	\$ 5,498	\$ 31,332	\$ 39
Interest expense	1,017	2,353	2,551	4,458
Income tax expense (benefit)	12,008	1,911	11,159	(92)
Depreciation and amortization	5,318	4,645	10,681	9,258
Stock-based compensation expense (5)	819	494	1,554	948
Pre-opening expenses (6)	431	672	819	1,001
Acquisition costs (1)	6	-	35	-
Hazard pay (2)	1,500	-	2,600	-
Store closing write-off (3)	-	-	1,039	-
Executive transition costs (4)	-	266	-	623
Adjusted EBITDA	<u>\$ 53,561</u>	<u>\$ 15,839</u>	<u>\$ 61,770</u>	<u>\$ 16,235</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) Costs incurred for the recruitment and hiring of key members of management.

(5) 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.

(6) 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.