UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)
☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended April 29, 2017
OR
☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
Commission File Number: 001-36401

SPORTSMAN'S WAREHOUSE HOLDINGS, INC.
(Exact Name of Registrant as Specified in its Charter)

Delaware **(State or other jurisdiction of incorporation or organization)**	**39-1975614** **(I.R.S. Employer Identification No.)**
7035 South High Tech Drive, Midvale, Utah **(Address of principal executive offices)**	**84047** **(Zip code)**

Registrant's telephone number, including area code: (801) 566-6681

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company.. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐ (do not check if a smaller reporting company)	Smaller reporting company	☐
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: ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of May 19, 2017, the registrant had 42,528,480 shares of common stock, $0.01 par value per share, outstanding.

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We operate on a fiscal calendar that, in a given fiscal year, consists of the 52- or 53-week period ending on the Saturday closest to January 31st. Our fiscal first quarters ended April 29, 2017 and April 30, 2016, both consisted of 13 weeks and are referred to herein as the first quarter of fiscal year 2017 and the first quarter of fiscal year 2016, respectively. Fiscal year 2016 contained 52 weeks of operations ended January 28, 2017. Fiscal year 2017 will contain 53 weeks of operations and will end on February 3, 2018.

References throughout this document to “Sportsman’s Warehouse,” “we,” “us,” and “our” refer to Sportsman’s Warehouse Holdings, Inc. and its subsidiaries, and references to “Holdings” refer to Sportsman’s Warehouse Holdings, Inc. excluding its subsidiaries.

STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (this “10-Q”) contains statements that constitute forward-looking statements as that term is defined by the Private Securities Litigation Reform Act of 1995. These statements concern our business, operations and financial performance and condition as well as our plans, objectives and expectations for our business operations and financial performance and condition, which are subject to risks and uncertainties. All statements other than statements of historical fact included in this 10-Q are forward-looking statements. These statements may include words such as “aim,” “anticipate,” “assume,” “believe,” “can have,” “could,” “due,” “estimate,” “expect,” “goal,” “intend,” “likely,” “may,” “objective,” “plan,” “potential,” “positioned,” “predict,” “should,” “target,” “will,” “would” and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operating or financial performance or other events or trends. For example, all statements we make relating to our plans and objectives for future operations, growth or initiatives and strategies are forward-looking statements.

These forward-looking statements are based on current expectations, estimates, forecasts and projections about our business and the industry in which we operate and our management’s beliefs and assumptions. We derive many of our forward-looking statements from our own operating budgets and forecasts, which are based upon many detailed assumptions. While we believe that our assumptions are reasonable, we caution predicting the impact of known factors is very difficult, and we cannot anticipate all factors that could affect our actual results.

All of our forward-looking statements are subject to risks and uncertainties that may cause our actual results to differ materially from our expectations. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to:

- *our retail-based business model is impacted by general economic conditions and economic and financial uncertainties may cause a decline in consumer spending;*
- *our concentration of stores in the Western United States makes us susceptible to adverse conditions in this region, which could affect our sales and cause our operating results to suffer;*
- *we operate in a highly fragmented and competitive industry and may face increased competition;*
- *we may not be able to anticipate, identify and respond to changes in consumer demands, including regional preferences, in a timely manner;*
- *we may not be successful in operating our stores in any existing or new markets into which we expand; and*
- *current and future government regulations, in particular regulations relating to the sale of firearms and ammunition, may impact the supply and demand for our products and our ability to conduct our business.*

The above is not a complete list of factors or events that could cause actual results to differ from our expectations, and we cannot predict all of them. All written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by the cautionary statements disclosed under “Part I. Item 1A. Risk Factors,” appearing in our Annual Report on Form 10-K for the fiscal year ended January 28, 2017 and “Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this 10-Q, as such disclosures may be amended, supplemented or superseded from time to time by other reports we file with the Securities and Exchange Commission, including subsequent Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q, and public communications. You should evaluate all forward-looking statements made in this 10-Q and otherwise in the context of these risks and uncertainties.

Potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on any forward-looking statements we make. These forward-looking statements speak only as of the date of this 10-Q and are not guarantees of future performance or developments and involve known and unknown risks, uncertainties and other factors that are in many cases beyond our control. Except as required by law, we undertake no obligation to update or revise any forward-looking statements publicly, whether as a result of new information, future developments or otherwise.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

SPORTSMAN'S WAREHOUSE HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
Amounts in Thousands, Except Per Share Data
(unaudited)

	April 29, 2017	January 28, 2017
Assets		
Current assets:		
Cash and cash equivalents	$ 2,269	$ 1,911
Accounts receivable, net	382	411
Merchandise inventories	288,308	246,289
Prepaid expenses and other	11,494	7,313
Income taxes receivable	2,363	—
Total current assets	304,816	255,924
Property and equipment, net	94,940	83,109
Deferred income taxes	4,212	5,097
Definite lived intangibles, net	1,666	2,118
Total assets	$ 405,634	$ 346,248
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 74,176	$ 31,549
Accrued expenses	54,370	49,586
Income taxes payable	—	979
Revolving line of credit	78,067	60,972
Current portion of long-term debt, net of discount and debt issuance costs	983	983
Current portion of deferred rent	3,407	3,150
Total current liabilities	211,003	147,219
Long-term liabilities:		
Long-term debt, net of discount, debt issuance costs, and current portion	133,455	133,721
Deferred rent, noncurrent	35,673	35,307
Total long-term liabilities	169,128	169,028
Total liabilities	380,131	316,247
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $.01 par value; 20,000 shares authorized; 0 shares issued and outstanding	—	—
Common stock, $.01 par value; 100,000 shares authorized; 42,500 and 42,269 shares issued and outstanding, respectively	425	422
Additional paid-in capital	80,154	80,146
Accumulated deficit	(55,076)	(50,567)
Total stockholders' equity	25,503	30,001
Total liabilities and stockholders' equity	$ 405,634	$ 346,248

The accompanying notes are an integral part of these condensed consolidated financial statements.

SPORTSMAN'S WAREHOUSE HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
Amounts in Thousands Except Per Share Data
(unaudited)

	Thirteen Weeks Ended	
	April 29, 2017	April 30, 2016
Net sales	$ 156,898	$ 151,615
Cost of goods sold	108,283	103,143
Gross profit	48,615	48,472
Selling, general, and administrative expenses	52,382	46,116
Income (loss) from operations	(3,767)	2,356
Interest expense	(3,150)	(3,588)
Loss before income taxes	(6,917)	(1,232)
Income tax (benefit)	(2,410)	(1,543)
Net (loss) income	$ (4,507)	$ 311
Earnings (loss) per share:		
Basic	$ (0.11)	$ 0.01
Diluted	$ (0.11)	$ 0.01
Weighted average shares outstanding:		
Basic	42,277	42,032
Diluted	42,277	42,334

The accompanying notes are an integral part of these condensed consolidated financial statements.

SPORTSMAN'S WAREHOUSE HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
Amounts in Thousands
(unaudited)

	Thirteen Weeks Ended April 29, 2017	Thirteen Weeks Ended April 30, 2016
Cash flows from operating activities:		
Net (loss) income	$ (4,507)	$ 311
Adjustments to reconcile net (loss) income to net cash used in operating activities:		
Depreciation of property and equipment	3,490	2,681
Amortization of discount on debt and deferred financing fees	173	355
Amortization of definite lived intangible	452	451
Change in deferred rent	624	1,906
Deferred income taxes	885	633
Excess tax benefits from stock-based compensation arrangements	—	(470)
Stock-based compensation	650	625
Change in operating assets and liabilities:		
Accounts receivable, net	29	23
Merchandise inventories	(42,019)	(33,171)
Prepaid expenses and other	(4,221)	4,498
Accounts payable	42,049	11,913
Accrued expenses	(3,115)	(2,037)
Income taxes payable and receivable	(3,342)	(3,364)
Net cash used in operating activities	(8,852)	(15,646)
Cash flows from investing activities:		
Purchase of property and equipment	(13,204)	(8,720)
Net cash used in investing activities	(13,204)	(8,720)
Cash flows from financing activities:		
Net borrowings on line of credit	17,094	38,076
Increase (decrease) in book overdraft	6,359	7,887
Payment of withholdings on restricted stock units	(639)	(1,228)
Principal payments on long-term debt	(400)	(20,074)
Net cash provided by financing activities	22,414	24,661
Net change in cash and cash equivalents	358	295
Cash and cash equivalents at beginning of period	1,911	2,109
Cash and cash equivalents at end of period	$ 2,269	$ 2,404
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest, net of amounts capitalized	$ 2,897	2,954
Income taxes	—	1,716
Supplemental schedule of noncash investing activities:		
Purchases of property and equipment included in accounts payable and accrued expenses	$ 8,089	2,637

The accompanying notes are an integral part of these condensed consolidated financial statements.

**SPORTSMAN'S WAREHOUSE HOLDINGS, INC.
AND SUBSIDIARIES**

Notes to Condensed Consolidated Financial Statements (Unaudited)

Amounts reported in thousands, except per share data

(1) Description of Business

Description of Business

Sportsman's Warehouse Holdings, Inc. ("Holdings") and its subsidiaries (collectively, the "Company") operate retail sporting goods stores. As of April 29, 2017, the Company operated 79 stores in 22 states. The Company's stores are aggregated into one single operating and reportable segment.

Basis of Presentation

The condensed consolidated financial statements included herein are unaudited and have been prepared by management of the Company pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") have been condensed or omitted pursuant to such rules and regulations. The Company's condensed consolidated balance sheet as of January 28, 2017 was derived from the Company's audited consolidated balance sheet as of that date. All other condensed consolidated financial statements contained herein are unaudited and reflect all adjustments that are, in the opinion of management, necessary to summarize fairly our condensed consolidated financial statements for the periods presented. All of these adjustments are of a normal recurring nature. The results of the fiscal quarter ended April 29, 2017 are not necessarily indicative of the results to be obtained for the year ending February 3, 2018. These condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended January 28, 2017 filed with the SEC on March 24, 2017 (the "Fiscal 2016 Form 10-K").

(2) Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying condensed consolidated financial statements include the accounts of Holdings and its wholly owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

Reporting Periods

The Company operates on a fiscal calendar that, in a given fiscal year, consists of the 52- or 53-week period ending on the Saturday closest to January 31st. The fiscal first quarters ended April 29, 2017 and April 30, 2016 both consisted of 13 weeks and are referred to herein as the first quarter of fiscal year 2017 and first quarter of fiscal year 2016, respectively. Fiscal year 2016 contained 52 weeks of operations ended January 28, 2017. Fiscal year 2017 will contain 53 weeks of operations and will end on February 3, 2018.

Seasonality

The Company's business is generally seasonal, with a significant portion of total sales occurring during the third and fourth quarters of the fiscal year.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Certain costs are estimated for the full year and allocated to interim periods based on estimates of time expired, benefit received, or activity associated with the interim period.

Segment Reporting

The Company operates solely as a sporting goods retailer whose Chief Operating Decision Maker ("CODM") is the Chief Executive Officer. The CODM reviews financial information presented on a consolidated and individual store and cost center basis, for purposes of allocating resources and evaluating financial performance. The Company's stores offer essentially the same general product mix, and the core customer demographic remains similar chain-wide, as does the Company's process for the procurement and marketing of its product mix. Furthermore, the Company distributes its product mix chain-wide from a single distribution center. Given that the stores have the same economic characteristics, the individual stores are aggregated into one single operating and reportable segment.

Comprehensive Income

The Company has no components of net income that would require classification as other comprehensive income for the 13 week periods ended April 29, 2017 and April 30, 2016.

Recent Accounting Pronouncements

Revenue from Contracts with Customers

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09 "Revenue from Contracts with Customers" (Topic 606) ("ASU 2014-09"). ASU 2014-09 is a comprehensive new revenue recognition model requiring a company to recognize revenue to depict the transfer of goods or services to a customer at an amount reflecting the consideration it expects to receive in exchange for those goods or services. In August 2015, the FASB issued ASU 2015-14, "Deferral of the Effective Date" ("ASU 2015-14"). ASU 2015-14 simply formalized a one year deferral of the effective date of ASU 2014-09. In March 2016, the FASB issued ASU 2016-08 "Principal versus Agent Considerations – Reporting Revenue Gross versus Net", amending the principal-versus-agent implementation guidance set forth in ASU 2014-09. In April 2016, the FASB issued ASU 2016-10 "Identifying Performance Obligations and Licensing", which amends certain aspects of the guidance set forth in the FASB's new revenue standard related to identifying performance obligations and licensing implementation. As a result of these four standards updates, the Company expects that it will apply the new revenue standard to annual and interim reporting periods beginning after December 15, 2017. In adopting these standard updates, companies may use either a full retrospective or a modified retrospective approach. Management is evaluating the provisions of these standard updates and has determined that the Company will adopt this standard using a modified retrospective approach. Management has not yet determined what impact the adoption of these standard updates will have on the Company's financial position or results of operations.

Simplifying the Measurement of Inventory

In July 2015, the FASB issued ASU 2015-11, "Simplifying the Measurement of Inventory" ("ASU 2015-11"). Under ASU 2015-11, inventory will be measured at the "lower of cost and net realizable value" and options that currently exist for "market value" will be eliminated. ASU 2015-11 defines net realizable value as the "estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation." No other changes were made to the current guidance on inventory measurement. ASU 2015-11 is effective for interim and annual periods beginning after December 15, 2016. The Company adopted ASU 2015-11 in the first quarter of fiscal year 2017 and has measured its inventory at the lower of cost or net realizable value. This adoption had no impact on the value of inventory presented on the condensed consolidated balance sheet for the fiscal quarter ended April 29, 2017.

Lease Accounting

In February 2016, the FASB issued ASU 2016-02, "Leases" ("ASU 2016-02"). The standard amends the existing accounting standards for lease accounting, including requiring lessees to recognize most leases on their balance sheets and making targeted changes to lessor accounting. ASU 2016-02 will be effective beginning in the first quarter of 2019. Early adoption of ASU 2016-02 is permitted. The new leases standard requires a modified retrospective transition approach for all leases existing at, or entered into after, the date of initial application, with an option to use certain transition relief. Management is currently evaluating the impact of adopting ASU 2016-02 on the Company's consolidated financial statements, including whether to elect the practical expedients outlined in the new standard. The Company does expect the new standard to have a material impact on its consolidated financial statements once adopted.

Recognition of Breakage for Certain Prepaid Stored-Value Products

In March 2016, the FASB issued ASU 2016-04, "Recognition of Breakage for Certain Prepaid Stored-Value Products" ("ASU 2016-04"). ASU 2016-04 entitles a company to derecognize amounts related to expected breakage in proportion to the pattern of rights expected to be exercised by the product holder to the extent that it is probable a significant reversal of the recognized breakage amount will not subsequently occur. ASU 2016-04 is effective for reporting periods beginning after December 15, 2017 and is to be applied retrospectively. Early adoption is permitted. Management believes ASU 2016-02 will have no impact on the Company's consolidated financial statements.

Classification of Certain Cash Receipts and Cash Payments

In August 2016, the FASB issued ASU 2016-15, "Classification of Certain Cash Receipts and Cash Payments" ("ASU 2016-15"). The update amends the guidance in Accounting Standard Codification 230, *Statement of Cash Flows*, and clarifies how entities should classify certain cash receipts and cash payments on the statement of cash flows with the objective of reducing the existing diversity in practices related to eight specific cash flow issues. The amendments in this update are effective for annual periods beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is permitted. Management has determined this will have no impact on the Company's consolidated financial statements.

(3) Secondary Offering

On April 18, 2016, 6,000 shares of common stock were sold in a secondary offering by Seidler Equity Partners III, L.P. On April 22, 2016, the underwriters of the secondary offering fully exercised the option granted at the time of the secondary offering to purchase an additional 900 shares of common stock at the secondary offering price of $11.25 per share, less underwriting discounts and commissions, which consisted solely of shares sold by affiliates of Seidler Equity Partners III, L.P. The Company received no proceeds from the secondary offering or full exercise of the option. Total expenses incurred related to the secondary offering and the exercise of the option were $143 and are recorded in selling, general, and administrative expenses in the accompanying Statements of Operations.

(4) Property and Equipment

Property and equipment as of April 29, 2017 and January 28, 2017 were as follows:

	April 29, 2017	January 28, 2017
Furniture, fixtures, and equipment	$ 56,370	$ 52,719
Leasehold improvements	72,102	61,986
Construction in progress	12,300	10,746
Total property and equipment, gross	140,772	125,451
Less accumulated depreciation and amortization	(45,832)	(42,342)
Total property and equipment, net	$ 94,940	$ 83,109

(5) Accrued Expenses

Accrued expenses consisted of the following as of April 29, 2017 and January 28, 2017:

	April 29, 2017	January 28, 2017
Book overdraft	$ 11,714	$ 5,355
Unearned revenue	17,556	18,019
Accrued payroll and related expenses	7,157	9,430
Sales and use tax payable	3,392	4,802
Accrued construction costs	4,677	3,138
Other	9,874	8,842
	$ 54,370	$ 49,586

(6) Revolving Line of Credit

The Company has a senior secured revolving credit facility (“Revolving Line of Credit”) with Wells Fargo Bank, National Association (“Wells Fargo”) that provides for borrowings in the aggregate amount of up to $135,000, subject to a borrowing base calculation.

As of April 29, 2017 and January 28, 2017, the Company had $87,287 and $67,110, respectively, in outstanding revolving loans under the Revolving Line of Credit. Amounts outstanding are offset on the condensed consolidated balance sheets by amounts in depository accounts under lock-box arrangements, which were $9,220 and $6,138 as of April 29, 2017 and January 28, 2017, respectively. As of April 29, 2017, the Company had stand-by commercial letters of credit of $1,200 under the terms of the Revolving Line of Credit.

The Revolving Line of Credit contains customary affirmative and negative covenants, including covenants that limit the Company’s ability to incur, create or assume certain indebtedness, to create, incur or assume certain liens, to make certain investments, to make sales, transfers and dispositions of certain property and to undergo certain fundamental changes, including certain mergers, liquidations and consolidations. The Revolving Line of Credit also requires us to maintain a minimum availability at all times of not less than 10% of the gross borrowing base, and in any event, not less than $5,000. The Revolving Line of Credit also contains customary events of default. The Revolving Line of Credit matures on December 3, 2019.

As of April 29, 2017 and January 28, 2017, the Revolving Line of Credit had $255 and $295, respectively in outstanding deferred financing fees. During the 13 weeks ended April 29, 2017, the Company recognized $40 of non-cash interest expense with respect to the amortization of deferred financing fees. During the 13 weeks ended April 30, 2016, the Company recognized $39, of non-cash interest expense with respect to the amortization of deferred financing fees.

(7) Long-Term Debt

Long-term debt consisted of the following as of April 29, 2017 and January 28, 2017:

	April 29, 2017	January 28, 2017
Term loan	$ 136,327	$ 136,727
Less discount	(819)	(877)
Less debt issuance costs	(1,070)	(1,146)
	134,438	134,704
Less current portion, net of discount and debt issuance costs	(983)	(983)
Long-term portion	$ 133,455	$ 133,721

Term Loan

The Company has a $160,000 senior secured term loan facility (“Term Loan”) with a financial institution. The Term Loan was issued at a price of 99% of the aggregate principal amount and has a maturity date of December 3, 2020.

As of April 29, 2017 and January 28, 2017, the Term Loan had an outstanding balance of $136,327 and $136,727, respectively. The outstanding amounts as of April 29, 2017 and January 28, 2017 are offset on the condensed consolidated balance sheets by an unamortized discount of $819 and $877, respectively, and debt issuance costs of $1,070 and $1,146, respectively.

During the 13 weeks ended April 29, 2017, the Company recognized $58 of non-cash interest expense with respect to the amortization of the discount. During the 13 weeks ended April 29, 2017, the Company recognized $76, of non-cash interest expense with respect to the amortization of the debt issuance costs.

During the 13 weeks ended April 30, 2016, the Company recognized $228 of non-cash interest expense with respect to the amortization of the discount. During the 13 weeks ended April 30, 2016, the Company recognized $88 of non-cash interest expense with respect to the amortization of the debt issuance costs.

As part of the Term Loan agreement, there are a number of financial and non-financial debt covenants. The financial covenants include a net leverage ratio and an interest coverage ratio to be measured on a trailing twelve month basis.

During the 13 weeks ended April 29, 2017, the Company made a required quarterly payment on the Term Loan of $400.

Restricted Net Assets

The provisions of the Term Loan and the Revolving Line of Credit restrict all of the net assets of the Company's consolidated subsidiaries, which constitute all of the net assets on the Company's condensed consolidated balance sheet as of April 29, 2017, from being used to pay any dividends without prior written consent from the financial institutions party to the Company's Term Loan and Revolving Line of Credit.

(8) Income Taxes

The Company recognized an income tax benefit of $2,410 and $1,543 in the 13 weeks ended April 29, 2017 and April 30, 2016, respectively. Before discrete items, the 2017 estimated annual effective tax rate is expected to be 38.8%, which is comparable to 37.3% for the full year 2016.

(9) Earnings (Loss) Per Share

Basic earnings per share is calculated by dividing net income by the weighted-average number of shares of common stock outstanding, reduced by the number of shares repurchased and held in treasury, during the period. Diluted earnings per share represents basic earnings per share adjusted to include the potentially dilutive effect of outstanding share option awards, nonvested share awards and nonvested share unit awards.

The following table sets forth the computation of basic and diluted earnings (loss) per common share:

	Thirteen Weeks Ended	
	April 29, 2017	April 30, 2016
Net income (loss)	$ (4,507)	$ 311
Weighted-average shares of common stock outstanding:		
Basic	42,277	42,032
Dilutive effect of common stock equivalents	—	302
Diluted	42,277	42,334
Basic Earnings (loss) per share	$ (0.11)	$ 0.01
Diluted Earnings (loss) per share	$ (0.11)	$ 0.01
Restricted stock units considered anti-dilutive and excluded in the calculation	171	—

(10) Stock-Based Compensation

Stock-Based Compensation

During the 13 weeks ended April 29, 2017 and April 30, 2016, the Company recognized total stock-based compensation expense of $650 and $625, respectively. During these same periods, the Company recognized a net tax benefit related to stock-based compensation expense of $253 and $233, respectively. Compensation expense related to the Company's stock-based payment awards is recognized in selling, general, and administrative expenses in the condensed consolidated Statements of Operations.

Employee Stock Plans

As of April 29, 2017, the number of shares available for awards under the 2013 Performance Incentive Plan (the "2013 Plan") was 1,475. As of April 29, 2017, there were 410 awards outstanding under the 2013 Plan.

Employee Stock Purchase Plan

The Company also has an Employee Stock Purchase Plan (“ESPP”) that was approved by shareholders in fiscal year 2015, under which 800 shares of common stock have been authorized. Shares are issued under the ESPP twice yearly at the end of each offering period. For the period ended April 29, 2017, no shares were issued under this plan.

Nonvested Restricted Stock Awards

During the 13 weeks ended April 29, 2017, the Company did not issue any nonvested restricted stock awards to employees.

During the 13 weeks ended April 30, 2016, the Company issued 162 nonvested stock awards to employees at a weighted average grant date fair value of $11.25 per share. The nonvested stock awards issued to employees vest over three years, with one third vesting on each grant date anniversary.

The following table sets forth the rollforward of outstanding nonvested stock awards (per share amounts are not in thousands):

	Shares	Weighted average grant-date fair value
Balance at January 28, 2017	162	$ 11.25
Grants	—	—
Forfeitures	—	—
Vested	54	11.25
Balance at April 29, 2017	108	$ 11.25

	Shares	Weighted average grant-date fair value
Balance at January 30, 2016	—	—
Grants	162	11.25
Forfeitures	—	—
Vested	—	—
Balance at April 30, 2016	162	$ 11.25

Nonvested Performance-Based Stock Awards

During the 13 weeks ended April 29, 2017, the Company did not issue any nonvested performance-based stock awards to employees.

During the 13 weeks ended April 30, 2016, the Company issued 159 nonvested performance-based stock awards to employees at a weighted average grant date fair value of $11.25 per share. The nonvested performance-based stock awards issued to employees vest over three years with one third vesting on each grant date anniversary. The number of shares issued was contingent on management achieving a fiscal year 2016 performance target for same store sales and return on invested capital for new stores. Based on the performance conditions met for 2016, the finalized granted awards was 73.

The following table sets forth the rollforward of outstanding nonvested performance-based stock awards (per share amounts are not in thousands):

	Shares	Weighted average grant-date fair value
Balance at January 28, 2017	73	$ 11.25
Grants	—	—
Forfeitures	—	—
Vested	24	11.25
Balance at April 29, 2017	49	$ 11.25

Nonvested Stock Unit Awards

During the 13 weeks ended April 29, 2017, the Company issued 172 nonvested stock units to employees of the Company at a value of $4.62 per share. These nonvested stock units vest over a three year period with one third of the shares vesting on each grant date anniversary.

During the 13 weeks ended April 30, 2016, the Company issued no nonvested stock units to employees.

The Company had no net share settlements in the 13 weeks ended April 29, 2017 and April 30, 2016.

The following table sets forth the rollforward of outstanding nonvested stock units (per share amounts are not in thousands):

	Shares	Weighted average grant-date fair value
Balance at January 28, 2017	301	$ 7.17
Grants	172	4.62
Forfeitures	1	7.06
Vested	295	7.13
Balance at April 29, 2017	177	$ 4.74

	Shares	Weighted average grant-date fair value
Balance at January 30, 2016	599	$ 7.15
Grants	—	—
Forfeitures	—	—
Vested	298	7.16
Balance at April 30, 2016	301	$ 7.14

(11) Commitments and Contingencies

Operating Leases

The Company leases its retail store, office space and warehouse locations under non-cancelable operating leases. Rent expense under these leases totaled $11,599 and $10,650 for the 13 weeks ended April 29, 2017 and April 30, 2016, respectively.

Legal Matters

The Company is involved in various legal matters generally incidental to its business. After discussion with legal counsel, management is not aware of any matters for which the likelihood of a loss is probable and reasonably estimable and which could have a material impact on its consolidated financial condition, liquidity, or results of operations.

On March 12, 2014, the Company was added as a defendant to a pending consolidated action filed in the United States District Court, Western District of Washington, captioned as Lacey Market Place Associates II, LLC, et al. v. United Farmers of Alberta Co-Operative Limited, et al., Case No. 2:13-cv-00383-JLR against United Farmers of Alberta Co-Operative Limited (the seller of Wholesale Sports), Wholesale Sports, Alamo Group, LLC and Donald F. Gaube and spouse. The amended complaint was filed by the landlords of two stores that the Company did not assume in the Company's purchase of assets from Wholesale Sports. Such stores were formerly operated by Wholesale Sports in Skagit and Thurston Counties in Washington. The amended complaint alleged breach of lease, breach of collateral assignment, misrepresentation, intentional interference with contract, piercing the corporate veil and violation of Washington's Fraudulent Transfer Act. The Company was named as a co-defendant with respect to the intentional interference with contract and fraudulent conveyance claims. The amended complaint sought against the Company and all defendants unspecified money damages, declaratory relief and attorneys' fees and costs. On January 28, 2015, the court in the Lacey Marketplace action granted in part and denied in part the Company's motion for summary judgment and dismissed the intentional interference claim against the Company, but declined to dismiss the fraudulent transfer claim.

Trial in the Lacey Marketplace action began March 2, 2015 and concluded March 6, 2015. On March 9, 2015, the jury in the trial assessed $11,887 against the defendants to the action, including the Company. The Company reviewed the decision and accrued $4,000 in its results for the fiscal year ended January 31, 2015 related to this matter. The Company strongly disagreed with the jury's verdict and filed post-trial motions seeking to have the verdict set aside. On July 30, 2015, the court granted the Company's motion for judgment as a matter of law. Both United Farmers of Alberta Co-Operative Limited, a co-defendant, and the plaintiff have appealed the court's summary judgment ruling against the tortious interference claim, and the July 30, 2015 ruling setting aside the jury verdict, to the appellate court and the appeal is currently in process. Based on the court's most recent judgment in favor of the Company, the Company determined that the likelihood of loss in this case is not probable, and, as such, the Company reversed the previous accrual of $4,000 in its results for the fiscal year ended January 30, 2016.

(12) Subsequent Events

On May 17, 2017 ("Closing Date"), the Company's wholly owned subsidiary, Sportsman's Warehouse, Inc., amended the financial covenants to its existing Term Loan entered into on December 3, 2014.

The amendment increased the maximum leverage ratio in each of the remaining quarters by amounts ranging from 0.2x to 1.3x with an average quarterly increase of 0.75x.

As a result of the amendment, the interest rate on the Company's term loan increased by 25 basis points to LIBOR plus 6.25% with a 1.25% LIBOR floor, up from LIBOR plus 6.0% with a 1.25% LIBOR floor previously.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The discussion below contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those which are discussed in "Part I. Item 1A. Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended January 28, 2017. Also see "Statement Regarding Forward-Looking Statements" preceding Part I in this 10-Q.

The following discussion and analysis should be read in conjunction with the unaudited condensed consolidated financial statements and the notes thereto included in this 10-Q.

Overview

We are a high-growth outdoor sporting goods retailer focused on meeting the everyday needs of the seasoned outdoor veteran, the first-time participant and every enthusiast in between. Our mission is to provide a one-stop shopping experience that equips our customers with the right quality, brand name hunting, shooting, fishing and camping gear to maximize their enjoyment of the outdoors.

Our business was founded in 1986 as a single retail store in Midvale, Utah. Today, we operate 80 stores in 22 states, totaling approximately 3.2 million gross square feet. During fiscal year 2017 to date, we have increased our gross square footage by 3.2% through the opening of five stores in the following locations:

- Cedar City, Utah on February 16, 2017
- Moses Lake, Washington on February 23, 2017
- Wilmington, North Carolina on April 6, 2017
- Morgantown, West Virginia on April 27, 2017
- Yuma, Arizona on May 11, 2017

Individual stores are aggregated into one operating and reportable segment.

How We Assess the Performance of Our Business

In assessing the performance of our business, we consider a variety of performance and financial measures. The key measures for determining how our business is performing are net sales, same store sales, gross margin, selling, general, and administrative expenses, income from operations and Adjusted EBITDA.

Net Sales and Same Store Sales

Our net sales are primarily received from revenue generated in our stores and also include sales generated through our e-commerce platform. When measuring revenue generated from our stores, we review our same store sales as well as the performance of our stores that have not operated for a sufficient amount of time to be included in same store sales. We include net sales from a store in same store sales on the first day of the 13th full fiscal month following the store's opening or acquisition by us. We exclude net sales from e-commerce from our calculation of same store sales.

Measuring the change in year-over-year same store sales allows us to evaluate how our retail store base is performing. Various factors affect same store sales, including:

- changes or anticipated changes to regulations related to some of the products we sell;
- consumer preferences, buying trends and overall economic trends;
- our ability to identify and respond effectively to local and regional trends and customer preferences;
- our ability to provide quality customer service that will increase our conversion of shoppers into paying customers;
- competition in the regional market of a store;

- atypical weather;
- changes in our product mix; and
- changes in pricing and average ticket sales.

Opening new stores is also an important part of our growth strategy. As of the date of this filing we have opened five new stores in fiscal year 2017. While our target remains to grow our square footage at a rate of greater than 10 percent annually, we expect we will grow our square footage between 3 percent and 7 percent for fiscal 2018 as we shift some of our cash use to reducing our debt balance.

For our new locations, we measure our investment by reviewing the new store's four-wall Adjusted EBITDA margin and pre-tax return on invested capital ("ROIC"). We target a minimum 10% four-wall Adjusted EBITDA margin and a minimum ROIC of 50% excluding initial inventory costs (or 20% including initial inventory cost) for the first full twelve months of operations for a new store. The 31 new stores that we have opened since 2010 and that have been open for a full twelve months have achieved an average four-wall Adjusted EBITDA margin of 13.2% and an average ROIC of 80.4% excluding initial inventory cost (and 29.4% including initial inventory cost) during their first full twelve months of operations. Four-wall Adjusted EBITDA means, for any period, a particular store's Adjusted EBITDA, excluding any allocations of corporate selling, general, and administrative expenses allocated to that store. Four-wall Adjusted EBITDA margin means, for any period, a store's four-wall Adjusted EBITDA divided by that store's net sales. For a definition of Adjusted EBITDA and Adjusted EBITDA margin and a reconciliation of net income to Adjusted EBITDA, see "—Non-GAAP Measures." ROIC means a store's four-wall Adjusted EBITDA for a given period divided by our initial cash investment in the store. We calculate ROIC both including and excluding the initial inventory cost.

We also have been scaling our e-commerce platform and increasing sales through our website, *www.sportsmanswarehouse.com*.

We believe the key drivers to increasing our total net sales will be:

- increasing our total gross square footage by opening new stores and improving the utilization of the existing selling square footage of our existing stores through various fixture strategies;
- continuing to increase and improve same store sales in our existing markets;
- increasing customer visits to our stores and improving our conversion rate through focused marketing efforts and continually high standards of customer service;
- increasing the average ticket sale per customer; and
- expanding our e-commerce platform.

Gross Margin

Gross profit is our net sales less cost of goods sold. Gross margin measures our gross profit as a percentage of net sales. Our cost of goods sold primarily consists of merchandise acquisition costs, including freight-in costs, shipping costs, payment term discounts received from the vendor and vendor allowances and rebates associated directly with merchandise and shipping costs related to e-commerce sales.

We believe the key drivers to improving our gross margin are increasing the product mix to higher margin products, particularly clothing and footwear, improving buying opportunities with our vendor partners and coordinating pricing strategies among our stores and our merchandising department. Our ability to properly manage our inventory can also impact our gross margin. Successful inventory management ensures we have sufficient high margin products in stock at all times to meet customer demand, while overstocking of items could lead to markdowns in order to help a product sell. We believe that the overall growth of our business will allow us to generally maintain or increase our gross margins, because increased merchandise volumes will enable us to maintain our strong relationships with our vendors.

We expect the industry inventory oversupply currently present in the industry to result in continued high levels of promotions and resulting margin pressure through the remainder of fiscal year 2017.

Selling, General, and Administrative Expenses

We closely manage our selling, general, and administrative expenses. Our selling, general, and administrative expenses are comprised of payroll, rent and occupancy, depreciation and amortization, acquisition expenses, pre-opening expenses and other operating expenses, including share-based compensation expense and litigation accrual. 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.

Our selling, general, and administrative expenses are primarily influenced by the volume of net sales of our locations, except for our corporate payroll, rent and occupancy and depreciation and amortization, which are generally fixed in nature. We control our selling, general, and administrative expenses through a budgeting and reporting process that allows our personnel to adjust our expenses as trends in net sales activity are identified.

We expect that our selling, general, and administrative expenses will increase in future periods due to our continuing growth. We also expect 56 of our current stores to be impacted by minimum wage increases in fiscal year 2017 that will drive up our selling, general, and administrative costs during fiscal year 2017.

Income from Operations

Income from operations is gross profit less selling, general, and administrative expenses. We use income from operations as an indicator of the productivity of our business and our ability to manage selling, general, and administrative expenses.

Adjusted EBITDA

We define Adjusted EBITDA as net income plus interest expense, income tax expense, depreciation and amortization, stock-based compensation expense, pre-opening expenses, secondary offering expenses, and other gains, losses and expenses that we do not believe are indicative of our ongoing expenses. In evaluating our business, we use Adjusted EBITDA and Adjusted EBITDA margin as an additional measurement tool for purposes of business decision-making, including evaluating store performance, developing budgets and managing expenditures. See "—Non-GAAP Measures."

Results of Operations

The following table summarizes key components of our results of operations as a percentage of net sales for the periods indicated:

	Thirteen Weeks Ended	
	April 29, 2017	April 30, 2016
Percentage of net sales:		
Net sales	100.00 %	100.00 %
Cost of goods sold	69.0	68.0
Gross profit	31.0	32.0
Selling, general, and administrative expenses	33.4	30.4
Income (loss) from operations	(2.4)	1.6
Interest expense	2.0	2.4
Income (loss) before income taxes	(4.4)	(0.8)
Income tax benefit	(1.5)	(1.0)
Net (loss) income	(2.9)	0.2
Adjusted EBITDA	2.7%	4.9%

The following table shows our sales during the periods presented by department:

Department	Product Offerings	Thirteen Weeks Ended April 29, 2017	Thirteen Weeks Ended April 30, 2016
Camping	Backpacks, camp essentials, canoes and kayaks, coolers, outdoor cooking equipment, sleeping bags, tents and tools	12.4%	12.2%
Clothing	Camouflage, jackets, hats, outerwear, sportswear, technical gear and work wear	7.3%	6.2%
Fishing	Bait, electronics, fishing rods, flotation items, fly fishing, lines, lures, reels, tackle and small boats	11.2%	11.8%
Footwear	Hiking boots, socks, sport sandals, technical footwear, trail shoes, casual shoes, waders and work boots	7.1%	6.3%
Hunting and Shooting	Ammunition, archery items, ATV accessories, blinds and tree stands, decoys, firearms, reloading equipment and shooting gear	53.8%	55.8%
Optics, Electronics, and Accessories	Gift items, GPS devices, knives, lighting, optics (e.g. binoculars) and two-way radios	7.5%	7.3%
Other	License and BCI revenue, net of revenue discounts	0.7%	0.4%
Total		100.0%	100.0%

13 Weeks Ended April 29, 2017 Compared to 13 Weeks Ended April 30, 2016

Net Sales. Net sales increased by $5.3 million, or 3.5%, to $156.9 million in the 13 weeks ended April 29, 2017 compared to $151.6 million in the corresponding period of fiscal year 2016. Net sales increased primarily due to sales from new store openings that have been open for less than 12 months and were, therefore, not included in same store sales. Stores that were opened in the 13 weeks ended April 29, 2017 contributed $3.1 million to this increase. Stores that were opened in fiscal year 2016 and that have been open for less than 12 months and were, therefore, not included in our same store sales, contributed to $2.2 million of this increase. These increases were partially offset by a decrease in same store sales for the period of 6.9% compared to the corresponding period of fiscal year 2016.

Our camping, clothing, footwear, and optics, electronics, and accessories departments each recognized an increase in net sales in the first quarter of fiscal year 2017 compared to the first quarter of fiscal year 2016 while our hunting and shooting and fishing departments both recognized a decrease in net sales during the first quarter of fiscal year 2017 compared to the same period in 2016. Specifically, our footwear, clothing, camping and optics, electronics and accessories departments increased $1.7 million, $2.0 million, $0.8 million, and $0.7 million, respectively, during the first quarter of fiscal year 2017 compared to the corresponding period of fiscal year 2016. Our fishing and hunting and shooting departments decreased $0.4 million and $0.1 million, respectively, during the first quarter of fiscal year 2017 compared to the corresponding period of fiscal year 2016.

With respect to same store sales, during the 13 weeks ended April 29, 2017, our clothing and footwear departments had increases of 10.3% and 8.6%, respectively while the hunting and shooting, fishing, camping and optics, electronics and accessories departments had decreases of 10.5%, 10.8 %, 5.5% and 4.7%, respectively, compared to the corresponding period of fiscal year 2016. We had a better inventory position within our clothing and footwear departments during the 13 weeks ended April 29, 2017 compared to the corresponding prior year period which allowed us to capture increased revenue within these categories. Within hunting and shooting, firearms and ammunition decreased by 8.3% and 16.3%, respectively, during the 13 weeks ended April 29, 2017 compared to the corresponding period of fiscal year 2016. We experienced a decrease in demand for firearms and ammunition due in part to the change in the U.S. government administration and anticipated less regulation being put forward to tighten restrictions on gun ownership. Our fishing department was hurt by the large amount of snowpack and subsequent run-off in the rivers and streams surrounding the majority of our markets. As of April 29, 2017, we had 66 stores included in our same store sales calculation.

Net sales from our e-commerce business increased by $0.4 million, or 28.1%, to $1.8 million in the 13 weeks ended April 29, 2017 compared to $1.4 million in the corresponding period of fiscal year 2016.

Gross Profit. Gross profit increased by $0.1 million, or 0.3%, to $48.6 million for the 13 weeks ended April 29, 2017 from $48.5 million for the corresponding period of fiscal year 2016. As a percentage of net sales, gross profit decreased by 100 basis points to 31.0% for the 13 weeks ended April 29, 2017 from 32.0% in the corresponding period of fiscal year 2016. The decrease in gross margin was due to an increase in promotional activity in certain of our categories as well as a return to more normal margins in our clothing and footwear departments with the increase in our inventory position.

Selling, General, and Administrative Expenses. Selling, general, and administrative expenses increased by $6.3 million, or 13.6%, to $52.4 million for the 13 weeks ended April 29, 2017 from $46.1 million for the corresponding period of fiscal year 2016. As a percentage of net sales, selling, general, and administrative expenses increased to 33.4% of net sales in the first quarter of fiscal year 2017 compared to 30.4% of net sales in the first quarter of fiscal year 2016. The increase resulted primarily from $1.7 million of professional fees incurred in connection with our bid for certain inventory and other assets of Gander Mountain Company. Gander Mountain filed for Chapter 11 bankruptcy protection and we participated in a bankruptcy auction for the assets, but we ultimately chose not to continue in the auction. Selling, general, and administrative expenses also increased due to increased advertising expenses relating to our Shooting Spectacular advertising campaign and due to the increase in the number of stores in operation over the corresponding period of the prior year. Specifically, we incurred additional payroll, rent, depreciation and amortization, other operating expenses (excluding professional fees discussed above), and pre-opening expenses of $1.6 million, $0.9 million, $0.8 million, $0.4 million, and $0.7 million, respectively.

Interest Expense. Interest expense decreased by $0.4 million, or 12.2%, to $3.2 million in the 13 weeks ended April 29, 2017 from $3.6 million for the corresponding period of fiscal year 2016. Interest expense decreased primarily as a result of a lower principal balance on our term loan due to the scheduled quarterly payments made since the same period in the prior year.

Income Taxes. We recognized an income tax benefit of $2.4 million and $1.5 million in the 13 weeks ended April 29, 2017 and April 30, 2016, respectively. Before discrete items, the 2017 estimated annual effective tax rate is expected to be 38.8%, which is comparable to 37.3% for the full year 2016.

Seasonality

Due to holiday buying patterns and the openings of hunting season across the country, net sales are typically higher in the third and fourth fiscal quarters than in the first and second fiscal quarters. We also incur additional expenses in the third and fourth fiscal quarters due to higher volume and increased staffing in our stores. We anticipate our net sales will continue to reflect this seasonal pattern.

The timing of our new retail store openings also may have an impact on our quarterly results. First, we incur certain one-time expenses related to opening each new retail store, all of which are expensed as they are incurred. Second, most store expenses generally vary proportionately with net sales, but there is also a fixed cost component, which includes occupancy costs. These fixed costs typically result in lower store profitability during the initial period after a new retail store opens. Due to both of these factors, new retail store openings may result in a temporary decline in operating profit, in dollars and/or as a percentage of net sales.

Weather conditions affect outdoor activities and the demand for related clothing and equipment. Customers' demand for our products, and, therefore, our net sales, can be significantly impacted by weather patterns on a local, regional and national basis.

Liquidity and Capital Resources

Our primary capital requirements are for seasonal working capital needs and capital expenditures related to opening new stores. Our sources of liquidity to meet these needs have primarily been borrowings under our revolving credit facility, operating cash flows and short and long-term debt financings from banks and financial institutions. We believe that our cash on hand, cash generated by operating activities and funds available under our revolving credit facility will be sufficient to finance our operating activities for at least the next twelve months.

For the 13 weeks ended April 29, 2017, we incurred approximately $13.2 million in capital expenditures. We expect total capital expenditures between $35.0 million and $40.0 million for fiscal year 2017. We intend to fund these initiatives with our operating cash flows and funds available under our revolving credit facility. Other investment opportunities, such as potential strategic acquisitions or store expansion rates in excess of those presently planned, may require additional funding.

Cash flows from operating, investing and financing activities are shown in the following table:

	Thirteen Weeks Ended	
	April 29, 2017	April 30, 2016
	(in thousands)	
Cash flows from operating activities	$ (8,852)	$ (15,646)
Cash flows from investing activities	(13,204)	(8,720)
Cash flows from financing activities	22,414	24,661
Cash and cash equivalents at end of period	2,269	2,404

Net cash used in operating activities was $8.9 million for the 13 weeks ended April 29, 2017, compared to cash used in operations of $15.6 million for the corresponding period of fiscal year 2016, a change of approximately $6.7 million. Our cash flows used in operating activities decreased primarily due to the timing of payments made on our accounts payable.

Net cash used in investing activities was $13.2 million for the 13 weeks ended April 29, 2017 compared to $8.7 million for the corresponding period of fiscal year 2016. The change in our cash flows from investing activities is primarily a result of opening one additional store during the first quarter of fiscal year 2017 compared to the number of stores opened during the first quarter of fiscal year 2016.

Net cash provided by financing activities was $22.4 million for the 13 weeks ended April 29, 2017, compared to $24.7 million for the corresponding period of fiscal year 2016. The decrease in net cash provided by financing activities was primarily due to lower net borrowings on the line of credit of $17.1 million during the first quarter of fiscal year 2017 compared to the corresponding period of fiscal year 2016. This decrease was offset by a decrease in the amount paid on our term loan for the first quarter of fiscal year 2017 when compared to the first quarter of fiscal year 2016.

Our outstanding debt consists of our senior secured revolving line of credit and our senior secured term loan.

Senior Secured Revolving Credit Facility. We have a senior secured revolving credit facility with Wells Fargo that provides for borrowings in the aggregate amount of up to $135.0 million, subject to a borrowing base calculation. As of April 29, 2017, $33.0 million was available for borrowing and $78.1 million was outstanding under the revolving credit facility. The revolving credit facility matures on December 3, 2019.

Each of the subsidiaries of Holdings is a borrower under the revolving credit facility, and all obligations under the revolving credit facility are guaranteed by Holdings. All of our obligations under the revolving credit facility are secured by a lien on substantially all of Holdings' tangible and intangible assets and the tangible and intangible assets of all of our subsidiaries, including a pledge of all capital stock of each of our subsidiaries. The lien securing the obligations under the revolving credit facility is a first priority lien as to certain liquid assets, including cash, accounts receivable, deposit accounts and inventory. In addition, the credit agreement contains provisions that enable Wells Fargo to require us to maintain a lock-box for the collection of all receipts.

Borrowings under the revolving credit facility bear interest based on either, at our option, the base rate or LIBOR, in each case plus an applicable margin. The base rate is the higher of (1) Wells Fargo's prime rate, (2) the federal funds rate (as defined in the credit agreement) plus 0.50% and (3) the one-month LIBOR (as defined in the credit agreement) plus 1.00%. The applicable margin for loans under the revolving credit facility, which varies based on the average daily availability, ranges from 0.50% to 1.00% per year for base rate loans and from 1.50% to 2.00% per year for LIBOR loans. The weighted average interest rate on the amount outstanding under the revolving credit facility as of April 29, 2017 was 2.79%.

Interest on base rate loans is payable monthly in arrears and interest on LIBOR loans is payable based on the LIBOR interest period selected by us, which can be 30, 60 or 90 days. All amounts that are not paid when due under our revolving credit facility will accrue interest at the rate otherwise applicable plus 2.00% until such amounts are paid in full.

We may be required to make mandatory prepayments under the revolving credit facility in the event of a disposition of certain property or assets, in the event of receipt of certain insurance or condemnation proceeds, upon the issuance of certain debt or equity securities, upon the incurrence of certain indebtedness for borrowed money or upon the receipt of certain payments not received in the ordinary course of business.

The revolving credit facility contains customary affirmative and negative covenants, including covenants that limit our ability to incur, create or assume certain indebtedness, to create, incur or assume certain liens, to make certain investments, to make sales, transfers and dispositions of certain property and to undergo certain fundamental changes, including certain mergers, liquidations and consolidations. The revolving credit facility also requires us to maintain a minimum availability at all times of not less than 10% of the gross borrowing base, and in any event, not less than $5.0 million. The revolving credit facility also contains customary events of default. As of April 29, 2017, we were in compliance with all covenants under the revolving credit facility.

Senior Secured Term Loan. We have a $160.0 million senior secured term loan facility with a financial institution. The term loan was issued at a price of 99% of the aggregate principal amount and has a maturity date of December 3, 2020. The term loan requires quarterly principal payments of $0.4 million payable on the last business day of each fiscal quarter continuing up to and including October 30, 2020. A final installment payment consisting of the remaining unpaid balance is due on December 3, 2020. As of April 29, 2017, there was $136.3 million outstanding under the term loan.

All of Sportsman's Warehouse, Inc.'s obligations under the term loan are guaranteed by Holdings, Minnesota Merchandising Corporation, a wholly owned subsidiary of Holdings, and each of Sportsman's Warehouse, Inc.'s subsidiaries.

The term loan is secured by a lien on substantially all of the tangible and intangible assets of Sportsman's Warehouse, Inc. The lien securing the obligations under the term loan is a first priority lien as to certain non-liquid assets, including equipment, intellectual property, proceeds of assets sales and other personal property.

Sportsman's Warehouse, Inc. may be required to make mandatory prepayments on the term loan in the event of, among other things, certain asset sales, the receipt of payment in respect of certain insurance claims or upon the issuance or incurrence of certain indebtedness. Sportsman's Warehouse, Inc. may also be required to make mandatory prepayments based on any excess cash flows as defined in the term loan agreement.

As of April 29, 2017, the term loan bore interest at a rate per annum equal to the one-, two-, three-, or six-month LIBOR (or, the nine- or 12-month LIBOR), as defined in the term loan agreement, at our election, which could not be less than 1.25%, plus an applicable margin of 6.00%.

The term loan contains customary affirmative and negative covenants, including covenants that limit our ability to incur, create or assume certain indebtedness, to incur or assume certain liens, to purchase, hold or acquire certain investments, to declare or make certain dividends and distributions and to engage in certain mergers, consolidations and asset sales. The term loan also requires us to comply with specified financial covenants, including a minimum interest coverage ratio and a maximum total net leverage ratio. The term loan also contains customary events of default. As of April 29, 2017, we were in compliance with all covenants under the term loan.

On May 18, 2017, Sportsman's Warehouse, Inc. entered into an amendment to its term loan. The amendment increased the maximum leverage ratio in each of the remaining quarters by amounts rangining from 0.2x to 1.3x, with an average quarterly increase of 0.75x. As a result of the amendment, the interest rate on the Company's term loan increased 25 basis points to LIBOR plus 6.25% with a 1.25% LIBOR floor.

Critical Accounting Policies

Our financial statements are prepared in accordance with GAAP. In connection with the preparation of the financial statements, we are required to make assumptions, make estimates and apply judgment that affect the reported amounts of assets, liabilities, revenue, expenses and the related disclosures. We base our assumptions, estimates and judgments on historical experience, current trends and other factors that we believe to be relevant at the time the condensed consolidated financial statements are prepared. On a regular basis, we review the accounting policies, assumptions, estimates and judgments to ensure that our financial statements are presented fairly and in accordance with GAAP. However, because future events and their effects cannot be determined with certainty, actual results could differ from our assumptions and estimates, and such differences could be material.

There have been no significant changes to our critical accounting policies as described in our Fiscal 2016 Form 10-K.

Off Balance Sheet Arrangements

We are not party to any off balance sheet arrangements.

Contractual Obligations

In the normal course of business, we enter into various contractual obligations that may require future cash payments for long-term debt, operating lease obligations, letters of credit or other purchase obligations. As a result of the regularly scheduled principal and interest payments on our term loan made on April 29, 2017 the total payments to be made with respect to our long-term debt obligations was reduced from $136.7 million as of January 28, 2017 to $136.3 million as of April 29, 2017, of which approximately $1.2 million is payable during the remainder of fiscal year 2017. All other changes to our contractual obligations during the 13 weeks weeks ended April 29, 2017 were completed in the normal course of business and are not considered material.

Non-GAAP Measures

In evaluating our business, we use Adjusted EBITDA and Adjusted EBITDA margin as supplemental measures of our operating performance. We define Adjusted EBITDA as net income plus interest expense, income tax expense, depreciation and amortization, stock-based compensation expense, pre-opening expenses, secondary offering expenses, and other gains, losses and expenses that we do not believe are indicative of our ongoing expenses. In addition, Adjusted EBITDA excludes pre-opening expenses because we do not believe these expenses are indicative of the underlying operating performance of our stores. The amount and timing of pre-opening expenses are dependent on, among other things, the size of new stores opened and the number of new stores opened during any given period. Adjusted EBITDA margin means, for any period, the Adjusted EBITDA for that period divided by the net sales for that period. We consider Adjusted EBITDA and Adjusted EBITDA margin important supplemental measures of our operating performance and believe they are frequently used by analysts, investors and other interested parties in the evaluation of companies in our industry. Other companies in our industry, however, may calculate Adjusted EBITDA and Adjusted EBITDA margin differently than we do. Management also uses Adjusted EBITDA and Adjusted EBITDA margin as additional measurement tools for purposes of business decision-making, including evaluating store performance, developing budgets and managing expenditures.

Adjusted EBITDA is not defined under GAAP and is not a measure of operating income, operating performance or liquidity presented in accordance with GAAP. Adjusted EBITDA has limitations as an analytical tool, and when assessing our operating performance, you should not consider Adjusted EBITDA in isolation or as a substitute for net income or other condensed consolidated statement of operations data prepared in accordance with GAAP. Some of these limitations include, but are not limited to:

- Adjusted EBITDA does not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;
- Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs;
- Adjusted EBITDA may be defined differently by other companies, and, therefore, it may not be directly comparable to the results of other companies in our industry;

· Adjusted EBITDA does not reflect the interest expense, or the cash requirements necessary to service interest or principal payments, on our debt; and

· Adjusted EBITDA does not reflect income taxes or the cash requirements for any tax payments.

The following table presents a reconciliation of net income, the most directly comparable financial measure presented in accordance with GAAP, to Adjusted EBITDA for the 13 weeks ended April 29, 2017 and April 30, 2016.

	Thirteen Weeks Ended	
	April 28, 2017	April 30, 2016
	(dollars in thousands)	
Net income (loss)	$ (4,507)	$ 311
Interest expense	3,150	3,588
Income tax benefit	(2,410)	(1,543)
Depreciation and amortization	3,942	3,132
Stock-based compensation expense (1)	650	625
Pre-opening expenses (2)	1,629	1,189
Secondary offering expenses (3)	—	143
Professional fees (4)	1,744	—
Adjusted EBITDA	$ 4,198	$ 7,445
Adjusted EBITDA margin	2.7%	4.9%

(1) Stock-based compensation expense represents non-cash expenses related to equity instruments granted to employees under our 2013 Performance Incentive Plan and Employee Stock Purchase Plan.
(2) 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.
(3) Expenses paid by us in connection with a secondary offering of our common stock by affiliates of Seidler Equity Partners III, L.P.
(4) Professional and other fees incurred in connection with the evaluation of a strategic acquisition.

Recent Accounting Pronouncements

For a description of recent accounting pronouncements, see Note 2 to our condensed consolidated financial statements in this 10-Q. Under the Jumpstart Our Business Startup Act, “emerging growth companies” (“EGCs”), we can delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have irrevocably elected not to avail ourselves of this exemption from new or revised accounting standards, and, therefore, we will be subject to the same new or revised accounting standards as other public companies that are not EGCs.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our principal exposure to market risk relates to changes in interest rates. Our revolving credit facility and term loan carry floating interest rates that are tied to LIBOR, the federal funds rate and the prime rate, and, therefore, our income and cash flows will be exposed to changes in interest rates to the extent that we do not have effective hedging arrangements in place. We historically have not used interest rate swap agreements to hedge the variable cash flows associated with the interest on our credit facilities. At April 29, 2017, the weighted average interest rate on our borrowings under our revolving credit facility was 2.79%. Based on a sensitivity analysis at April 29, 2017, assuming the amount outstanding under our revolving credit facility would be outstanding for a full year, a 100 basis point increase in interest rates would increase our annual interest expense by approximately $0.5 million. As long as LIBOR is less than 1.25%, the interest rates on our $160.0 million term loan will be fixed at 7.25%. Since we entered into the term loan facility on December 3, 2014, LIBOR has not exceeded 1.25%. We do not use derivative financial instruments for speculative or trading purposes. However, this does not preclude our adoption of specific hedging strategies in the future.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

As of the end of the period covered by this report, management, including our chief executive officer and chief financial officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures. Based upon and as of the date of the evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures were effective as of April 29, 2017 to ensure that information required to be disclosed in the reports we file or submit under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports we file or submit under the Exchange Act is accumulated and communicated to our management, including our chief executive officer and our chief financial officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the 13 weeks ended April 29, 2017 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

There were no material developments during the quarterly period ended April 29, 2017 with respect to our litigation in the Lacey Marketplace action described in Part I, Item 3 of our Fiscal 2016 Form 10-K. See Note 11, "Commitments and Contingencies" to our condensed consolidated financial statements in this 10-Q for additional information.

We are also subject to various legal proceedings and claims, including employment claims, wage and hour claims, intellectual property claims, contractual and commercial disputes and other matters that arise in the ordinary course of our business. While the outcome of these and other claims cannot be predicted with certainty, we do not believe that the likelihood of a loss for any of these matters individually or in the aggregate is probable or reasonably estimable such that they will have a material adverse effect on our business, results of operations or financial condition.

ITEM 1A. RISK FACTORS

Our business faces significant risks and uncertainties. Certain important factors may have a material adverse effect on our business prospects, financial condition and results of operations, and you should carefully consider them. There have been no material changes in our assessment of our risk factors from those set forth in our Fiscal 2016 Form 10-K.

ITEM 5. OTHER INFORMATION

On May 18, 2017, our wholly owned subsidiary, Sportsman's Warehouse, Inc., entered into the Second Amendment to Term Loan Agreement (the "Amendment") to its term loan agreement, dated December 3, 2014, by and among Cortland Capital Markets Services LLC, as lender, and Sportsman's Warehouse, Inc., as borrower (as amended, the "Term Loan").

The Amendment increased the maximum leverage ratio in each of the remaining quarters under the Term Loan by amounts ranging from 0.2x to 1.3x with an average quarterly increase of 0.75c. The Amendment aslo increased the interest rate under the Term Loan to 25 basis points to LIBOR plus 6.25% with a 1.25% LIBOR floor, up from LIBOR plus 6.05% with a 1.25 LIBOR floor previously. All other terms of the Term Loan remain in full force and effect.

ITEM 6. EXHIBITS

Exhibit Number	Description
3.1	Amended and Restated Certificate of Incorporation of Sportsman's Warehouse Holdings, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q filed on June 11, 2014).
3.2	Amended and Restated Bylaws of Sportsman's Warehouse Holdings, Inc. (incorporated by reference to Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q filed on June 11, 2014).
10.1*	Second amendment to term loan agreement, effective May 18, 2017, by and amoung Cortland Capital Market Services LLC, a global investment company, as Lender, and Sportsman's Warehouse, Inc., as Borrower
31.1*	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	XBRL Instance Document.
101.SCH*	XBRL Taxonomy Extension Schema Document.
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document.

* Filed herewith.
** Furnished herewith

SIGNATURES

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.

	SPORTSMAN'S WAREHOUSE HOLDINGS, INC.
Date: May 19, 2017	By: /s/ John V. Schaefer **John V. Schaefer** *Chief Executive Officer* *(Principal Executive Officer)*
Date: May 19, 2017	By: /s/ Kevan P. Talbot **Kevan P. Talbot** *Chief Financial Officer and Secretary* *(Principal Financial and Accounting Officer)*

Exhibit 10.1

SECOND AMENDMENT TO TERM LOAN AGREEMENT

This **SECOND AMENDMENT TO TERM LOAN AGREEMENT** is entered into as of May 18, 2017 (this "Amendment") by and among SPORTSMAN'S WAREHOUSE, INC., a Utah corporation (the "Borrower"), SPORTSMAN'S WAREHOUSE HOLDINGS, INC., a Delaware corporation ("Holdings"), the Subsidiary Guarantors (as defined in the Term Loan Agreement referred to below) party hereto, and the Lenders (as defined below) party hereto (constituting Required Lenders (as defined in the Term Loan Agreement).

RECITALS

WHEREAS, the Borrower, Holdings, the other Loan Parties from time to time party thereto, the financial institutions from time to time party thereto as lenders (collectively, the "Lenders") and Cortland Capital Market Services LLC, as administrative agent (in such capacity, together with its successors and assigns in such capacity, the "Administrative Agent") and as collateral agent (in such capacity, together with its successors and assigns in such capacity, the "Collateral Agent"), are parties to that certain Term Loan Agreement dated as of December 3, 2014 (as amended by that certain First Amendment to Term Loan Agreement, dated as of January 28, 2015 and as further amended, supplemented or otherwise modified from time to time, the "Term Loan Agreement"); and

WHEREAS, the Borrower has requested that the Required Lenders agree to amend the Term Loan Agreement in the manner provided below.

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the Borrower, Holdings, and the Lenders party hereto (constituting Required Lenders) hereby agree as follows:

1. Definitions. All terms used herein that are defined in the Term Loan Agreement and not otherwise defined herein shall have the meanings assigned to them in the Term Loan Agreement.

2. Amendment. In reliance upon the representations and warranties of Borrower and Holdings set forth in Section 4 below, and subject to the satisfaction of the conditions to effectiveness set forth in Section 3 below, the Term Loan Agreement is hereby amended as follows:

(a) Section 1.01 of the Term Loan Agreement is hereby amended by adding the following definitions, in appropriate alphabetical order:

""***Second Amendment Effective Date***" shall mean May 18, 2017"

""***Second Amendment Fee Letter***" shall mean that certain fee letter, dated as of the Second Amendment Effective Date, by and between Borrower and the Lenders party thereto."

(b) Section 1.01 of the Term Loan Agreement is hereby amended by amending and restating in its entirety the definition "Applicable Margin" as follows:

""***Applicable Margin***" shall mean, (a) for any day prior to the Second Amendment Effective Date, (i) with respect to any Eurodollar Term Loan, 6.00% per annum and (ii) with respect to any ABR Term Loan, 5.00% per annum, and (b) for any day on or after the Second Amendment Effective Date, (i) with respect to any Eurodollar Term Loan, 6.25% per annum and (ii) with respect to any ABR Term Loan, 5.25% per annum."

(c) Section 1.01 of the Term Loan Agreement is hereby amended by amending and restating in its entirety the definition "Fees" as follows:

""***Fees***" shall mean the fees set forth in (i) the Agent Fee Letter, (ii) the Fee Letter and (iii) the Second Amendment Fee Letter."

(d) Section 1.01 of the Term Loan Agreement is hereby amended by amending the definition "Loan Documents" to insert the text", the Second Amendment Fee Letter" immediately following the text "Fee Letter" set forth therein.

(e) Section 2.05 of the Term Loan Agreement is hereby amended by amending and restated in its entirety clause (a) thereof as follows:

"(a) The Borrower agrees to pay the fees set forth in the Fee Letter and the Second Amendment Fee Letter to the parties, at the times and in the amounts specified therein."

(f) Section 6.11 of the Term Loan Agreement is hereby amended by deleting the table contained therein and replacing it in its entirety as follows:

Date or Period	Ratio
November 6, 2016 through February 5, 2017	3.35 to 1.00
February 6, 2017 through May 5, 2017	3.70 to 1.00
May 6, 2017 through August 5, 2017	3.80 to 1.00
August 6, 2017 through November 5, 2017	3.90 to 1.00
November 6, 2017 through February 5, 2018	3.50 to 1.00
February 6, 2018 through May 5, 2018	3.60 to 1.00

Date or Period	Ratio
May 6, 2018 through August 4, 2018	3.70 to 1.00
August 5, 2018 through November 3, 2018	3.80 to 1.00
November 4, 2018 through February 2, 2019	3.25 to 1.00
February 3, 2019 through May 4, 2019	3.35 to 1.00
May 5, 2019 through August 3, 2019	3.45 to 1.00
August 4, 2019 through November 2, 2019	3.55 to 1.00
November 3, 2019 through February 1, 2020	3.00 to 1.00
February 2, 2020 through May 2, 2020	3.10 to 1.00
May 3, 2020 through August 1, 2020	3.20 to 1.00
August 2, 2020 through October 31, 2020	3.30 to 1.00
November 1, 2020 and thereafter	2.75 to 1.00

(g) Schedule 5.14 to the Term Loan Agreement is hereby amended and restated in its entirety as set forth on Exhibit A.

3. Conditions to Effectiveness. This Amendment shall become effective only upon satisfaction, or waiver by the Required Lenders, of the following conditions precedent (the first date upon which all such conditions shall have been satisfied being herein called the "Second Amendment Effective Date"):

(a) Delivery of Amendment. The Lenders party hereto shall have received on or before the Second Amendment Effective Date this Amendment, duly executed by the Borrower, Holdings and the Required Lenders.

(b) Payment of Fees, Etc.. The Borrower shall have paid all fees, costs and expenses then invoiced and due and payable pursuant to this Amendment, the term Loan Agreement and the Second Amendment Fee Letter.

(c) Representations and Warranties; Event of Default.

(i) The representations and warranties set forth in Section 4 hereof shall be true and correct.

(ii) No Default or Event of Default has occurred and remains continuing as of the Second Amendment Effective Date.

4. Representations and Warranties. The Borrower and Holdings hereby represent and warrant to the Administrative Agent and the Lenders that (i) the representations and warranties set forth in Article III of the Term Loan Agreement (other than the representations and warranties made under Section 3.09 and Section 3.20 of the Term Loan Agreement) and in each other Loan Document delivered by or on behalf of the Loan Parties to the Administrative Agent or any Lender pursuant to the Term Loan Agreement or any other Loan Document on or immediately prior to the Second Amendment Effective Date are true and correct in all material respects (except that such materiality qualifier shall not be applied to any representations or warranties that already are qualified or modified as to “materiality” or “Material Adverse Effect” in the text thereof, which representations and warranties shall be true and correct in all respects subject to such qualification) on and as of such date as though made on and as of such date (unless such representations or warranties are stated to relate to an earlier date, in which case such representations and warranties shall be true and correct in all material respects (except that such materiality qualifier shall not be applied to any representations or warranties that already are qualified or modified as to “materiality” or “Material Adverse Effect” in the text thereof, which representations and warranties shall be true and correct in all respects subject to such qualification) on and as of such earlier date), (ii) other than with respect to Lacey Market Place Associates II, LLC, et al. v. United Farmers of Alberta Co-Operative Limited, et al., Case No. 2:13-cv-00383-JLR, the representations and warranties set forth in Section 3.09 of the Term Loan Agreement are true and correct in all material respects (except that such materiality qualifier shall not be applied to any representations or warranties that already are qualified or modified as to “materiality” or “Material Adverse Effect” in the text thereof, which representations and warranties shall be true and correct in all respects subject to such qualification), (iii) the representations and warranties set forth in Section 3.20 of the Term Loan Agreement shall be true and correct in all material respects as of the date on which the Borrower delivers an updated Schedule 3.20(a) and Schedule 3.20(b) to the Administrative Agent and the Lenders as required pursuant to Schedule 5.13 of the Term Loan Agreement, and (iv) no Default or Event of Default has occurred and is continuing as of the Second Amendment Effective Date or would result from this Amendment becoming effective in accordance with its terms.

5. Continued Effectiveness of the Term Loan Agreement and Other Loan Documents. Except as specifically amended herein, all provisions of the Term Loan Agreement and the other Loan Documents shall continue to be in full force and effect and are hereby in all respects ratified and confirmed. Except as otherwise expressly provided herein, the execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of any Lender or the Administrative Agent under any of the Loan Documents or constitute a waiver or consent of any provision of the Loan Documents or to any further or future action on the part of the Loan Parties that would require a waiver or consent of the Lenders or the Administrative Agent. The Loan Parties hereby (i) acknowledge and reaffirm their respective

obligations as set forth in each Loan Document (as amended or otherwise modified by this Amendment), (ii) agree to continue to comply with, and be subject to, all of the terms, provisions, conditions, covenants, agreements and obligations applicable to them set forth in each Loan Document (as amended or otherwise modified by this Amendment), which remain in full force and effect, and (iii) confirm, ratify and reaffirm that (A) the guarantees and indemnities given by them pursuant to the Term Loan Agreement and/or any other Loan Documents continue in full force and effect, following and notwithstanding, the amendments thereto pursuant to this Amendment; and (B) the security interest granted to Collateral Agent, for the benefit of each Secured Party, pursuant to the Loan Documents in all of their right, title, and interest in all then existing and thereafter acquired or arising Collateral in order to secure prompt payment and performance of the Obligations, is continuing and is and shall remain unimpaired and continue to constitute a first priority security interest (subject solely to Liens permitted to be pari passu or senior to the Collateral Agent's Liens pursuant to the terms of the Term Loan Agreement) in favor of the Collateral Agent, for the benefit of each Secured Party, with the same force, effect and priority in effect immediately prior to entering into this Amendment.

6. Miscellaneous.

(i) This Amendment shall constitute a "Loan Document" for all purposes of the Term Loan Agreement and the other Loan Documents. From and after the Second Amendment Effective Date, the terms "Agreement", "this Agreement", "herein", "hereafter", "hereto", "hereof" and words of similar import, as used in the Term Loan Agreement and the other Loan Documents, shall refer to the Term Loan Agreement as amended hereby.

(j) The terms and provisions of Sections 9.07, 9.10, 9.11, 9.12, 9.13, 9.14, and 9.15 of the Term Loan Agreement are hereby incorporated herein by reference, and shall apply to this Amendment, *mutatis mutandis*, as if fully set forth herein.

7. Release.

(a) In consideration of the agreements of contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each Loan Party, on behalf of itself and its successors, assigns, and other legal representatives, hereby absolutely, unconditionally and irrevocably releases, remises and forever discharges Administrative Agent, Collateral Agent and each Lender, and their successors and assigns, and their present and former shareholders, affiliates, subsidiaries, divisions, predecessors, directors, officers, attorneys, employees, agents and other representatives (Administrative Agent, Collateral Agent, each Lender and all such other Persons being hereinafter referred to collectively as the "Releasees" and individually as a "Releasee"), of and from all demands, actions, causes of action, suits, controversies, damages and any and all other claims, counterclaims, defenses, rights of set-off, demands and liabilities whatsoever (individually, a "Claim" and collectively, "Claims") of every name and nature, known or unknown, suspected or unsuspected, both at law and in equity, which any Loan Party or any of their respective successors, assigns, or other legal representatives may now or hereafter own, hold, have or claim to have against the Releasees or any of them for, upon, or by reason of any circumstance, action, cause or thing whatsoever in relation to, or in any way in connection with any of the Term Loan Agreement, or any of the other Loan Documents or transactions thereunder or related thereto which arises at any time on or prior to the day and date of this Amendment.

(b) Each Loan Party understands, acknowledges and agrees that the release set forth above may be pleaded as a full and complete defense and may be used as a basis for an injunction against any action, suit or other proceeding which may be instituted, prosecuted or attempted in breach of the provisions of such release.

(c) Each Loan Party agrees that no fact, event, circumstance, evidence or transaction which could now be asserted or which may hereafter be discovered shall affect in any manner the final, absolute and unconditional nature of the release set forth above.

8. Estoppel. To induce the Lenders party hereto to enter into this Amendment, each Loan Party hereby acknowledges and agrees that, after giving effect to this Amendment, as of the date hereof, to the knowledge of any Loan Party, there exists no right of offset, defense, counterclaim or objection in favor of any Loan Party as against the Administrative Agent, Collateral Agent or any Lender with respect to the Obligations.

[*Remainder of page intentionally left blank.*]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

SPORTSMAN'S WAREHOUSE, INC., as Borrower

By: s/Kevan P. Talbot
Name:Kevan P. Talbot
Title: CFO

SPORTSMAN'S WAREHOUSE HOLDINGS, INC., as Holdings

By: s/Kevan P. Talbot
Name:Kevan P. Talbot
Title: CFO

MINNESOTA MERCHANDISING CORP., as a Subsidiary Guarantor

By: s/Kevan P. Talbot
Name:Kevan P. Talbot
Title: CFO

SPORTSMAN'S WAREHOUSE SOUTHWEST, INC. , as a Subsidiary Guarantor

By: s/Kevan P. Talbot
Name:Kevan P. Talbot
Title: CFO

PACIFIC FLYWAY WHOLESALE, LLC, as a Subsidiary Guarantor

By: s/Kevan P. Talbot
Name:Kevan P. Talbot
Title: CFO

SPORTSMAN'S WAREHOUSE DEVELOPMENT I, LLC, as a Subsidiary Guarantor

By: s/Kevan P. Talbot
Name:Kevan P. Talbot
Title: CFO

SPORTSMAN'S WAREHOUSE DEVELOPMENT II, LLC, as a Subsidiary Guarantor

By: s/Kevan P. Talbot
Name:Kevan P. Talbot
Title: CFO

KKR CREDIT SELECT FUNDING LLC, as a Lender

By: s/Jeffrey M. Smith
Name: Jeffrey M. Smith
Title: Authorized Signatory

KKR LENDING PARTNERS FUNDING III LLC, as a Lender

By: s/Jeffrey M. Smith
Name: Jeffrey M. Smith
Title: Authorized Signatory

KKR LENDING PARTNERS FUNDING LLC, as a Lender

By: s/Jeffrey M. Smith
Name: Jeffrey M. Smith
Title: Authorized Signatory

KKRLP II FUNDING US II LIMITED, as a Lender

By: s/Jeffrey M. Smith
Name: Jeffrey M. Smith
Title: Authorized Signatory

KKRLP II FUNDING US LLC, as a Lender

By: s/Jeffrey M. Smith
Name: Jeffrey M. Smith
Title: Authorized Signatory

KKRLP II GERMAN FUNDING LLC, as a Lender

By: s/Jeffrey M. Smith
Name: Jeffrey M. Smith
Title: Authorized Signatory

LINCOLN INVESTMENT SOLUTIONS, INC., as a Lender

By: s/Jeffrey M. Smith
Name: Jeffrey M. Smith
Title: Authorized Signatory

KKR -VRS CREDIT PARTNERS L.P., as a Lender

By: s/Jeffrey M. Smith
Name: Jeffrey M. Smith
Title: Authorized Signatory

Schedule 5.14

Post-Closing Actions

1. On or before the date that is thirty (30) days after the Second Amendment Effective Date, the Borrower shall deliver to the Administrative Agent and Lenders an updated Schedule 3.20(a) and Schedule 3.20(b), which schedules shall be in form and substance reasonably satisfactory to the Required Lenders.

Exhibit 31.1

Certification of Chief Executive Officer pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, John V. Schaefer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Sportsman's Warehouse Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 19, 2017

/s/ John V. Schaefer
John V. Schaefer
President and Chief Executive Officer

Exhibit 31.2

**Certification of Chief Financial Officer pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002**

I, Kevan P. Talbot, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Sportsman's Warehouse Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 19, 2017

/s/ Kevan P. Talbot

Kevan P. Talbot

Chief Financial Officer and Secretary

Exhibit 32.1

Certification pursuant to 18 U.S.C. Section 1350,
as Adopted pursuant to Section 906 of the
Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q of Sportsman's Warehouse Holdings, Inc. (the "Registrant") for the fiscal quarter ended April 29, 2017, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), John V. Schaefer, as President and Chief Executive Officer of the Registrant, and Kevan P. Talbot, the Chief Financial Officer and Secretary of the Registrant, hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of their knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: May 19, 2017

/s/ John V. Schaefer
John V. Schaefer
President and Chief Executive Officer

Date: May 19, 2017

/s/ Kevan P. Talbot
Kevan P. Talbot
Chief Financial Officer and Secretary

The foregoing certification is being furnished pursuant to 18 U.S.C. Section 1350. It is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and it is not to be incorporated by reference into any filing of the Company, regardless of any general incorporation language in such filing.