UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 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, 2023

OR

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

For the transition period from_______to_______

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.)**
1475 West 9000 South, Suite A, West Jordan, Utah **(Address of principal executive offices)**	**84088** **(Zip code)**

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, $.01 par value	SPWH	The Nasdaq Stock Market LLC

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 every Interactive Data File required to be submitted 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 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	☐	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 ☒

The number of shares of the registrant's common stock, $0.01 par value per share, outstanding as of May 31, 2023 was 37,688,103.

SPORTSMAN'S WAREHOUSE HOLDINGS, INC.

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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 first fiscal quarters ended April 29, 2023 and April 30, 2022 both consisted of 13 weeks and are referred to herein as the first quarter of fiscal year 2023 and the first quarter of fiscal year 2022, respectively. Fiscal year 2023 contains 53 weeks of operations and will end on February 3, 2024. Fiscal year 2022 contained 52 weeks of operations and ended on January 28, 2023.

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. References to (i) "fiscal year 2022" refer to our fiscal year ended January 28, 2023; (ii) "fiscal year 2021" refer to our fiscal year ended January 29, 2022; and (iii) "fiscal year 2020" refer to our fiscal year ended January 30, 2021.

SPECIAL NOTE 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," "positioned," "potential," "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 that 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:

- *current and future government regulations, in particular regulations relating to the sale of firearms and ammunition, which may impact the supply and demand for our products and our ability to conduct our business;*
- *our retail-based business model which is impacted by general economic and market conditions and economic, market and financial uncertainties that may cause a decline in consumer spending;*
- *our concentration of stores in the Western United States which makes us susceptible to adverse conditions in this region, and could affect our sales and cause our operating results to suffer;*
- *the highly fragmented and competitive industry in which we operate and the potential for increased competition;*
- *changes in consumer demands, including regional preferences, which we may not be able to identify and respond to in a timely manner;*
- *our entrance into new markets or operations in existing markets, which may not be successful;*
- *our development of a plan to reduce expenses in response to adverse macroeconomic conditions, including an increased focus on financial discipline and rigor throughout our organization; and*
- *the impact of general macroeconomic conditions, such as labor shortages, inflation, rising interest rates and tightening credit markets on our operations.*

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, 2023 (our "Fiscal 2022 Form 10-K") and "Part I., 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 (the "SEC"), 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 Par Value Data
(unaudited)

	April 29, 2023	January 28, 2023
Assets		
Current assets:		
Cash and cash equivalents	$ 3,040	$ 2,389
Accounts receivable, net	2,415	2,053
Income tax receivable	3,500	—
Merchandise inventories	469,489	399,128
Prepaid expenses and other	21,501	22,326
Total current assets	499,945	425,896
Operating lease right of use asset	302,912	268,593
Property and equipment, net	176,970	162,586
Goodwill	1,496	1,496
Definite lived intangibles, net	374	389
Total assets	$ 981,697	$ 858,960
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 112,659	$ 61,948
Accrued expenses	90,440	99,976
Income taxes payable	—	932
Operating lease liability, current	46,631	45,465
Revolving line of credit	150,250	87,503
Total current liabilities	399,980	295,824
Long-term liabilities:		
Deferred income taxes	8,494	9,544
Operating lease liability, noncurrent	296,640	260,479
Total long-term liabilities	305,134	270,023
Total liabilities	705,114	565,847
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; 37,686 and 37,541 shares issued and outstanding, respectively	377	375
Additional paid-in capital	79,340	79,743
Accumulated earnings	196,866	212,995
Total stockholders' equity	276,583	293,113
Total liabilities and stockholders' equity	$ 981,697	$ 858,960

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, 2023	April 30, 2022
Net sales	$ 267,529	$ 309,505
Cost of goods sold	187,485	210,414
Gross profit	80,044	99,091
Selling, general, and administrative expenses	99,003	96,085
(Loss) income from operations	(18,959)	3,006
Interest expense	2,047	567
(Loss) income before income taxes	(21,006)	2,439
Income tax (benefit) expense	(5,367)	441
Net (loss) income	$ (15,639)	$ 1,998
(Loss) earnings per share:		
Basic	$ (0.42)	$ 0.05
Diluted	$ (0.42)	$ 0.05
Weighted average shares outstanding:		
Basic	37,610	43,938
Diluted	37,610	44,221

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

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

For the Thirteen Weeks Ended April 29, 2023 and April 30, 2022

	Common Stock		Restricted nonvoting Common Stock		Treasury Stock		Additional paid-in-capital	Accumulated (deficit) earnings	Total stockholders' equity
	Shares	Amount	Shares	Amount	Shares	Amount	Amount	Amount	Amount
Balance at January 29, 2022	43,880	$ 439	—	$ —	—	$ —	$ 90,851	$ 222,879	$ 314,169
Vesting of restricted stock units	241	2	—	—	—	—	(2)	—	—
Payment of withholdings on restricted stock units	—	—	—	—	—	—	(1,845)	—	(1,845)
Stock-based compensation	—	—	—	—	—	—	1,358	—	1,358
Net income	—	—	—	—	—	—	—	1,998	1,998
Balance at April 30, 2022	44,121	$ 441	—	$ —	—	$ —	$ 90,362	$ 224,877	$ 315,680
Balance at January 28, 2023	37,541	$ 375	—	$ —	—	$ —	$ 79,743	$ 212,995	$ 293,113
Repurchase of treasury stock	—	—	—	—	98	(696)	—	—	(598)
Retirement of treasury stock	(98)	(1)	—	—	(98)	696	(205)	(490)	(98)
Vesting of restricted stock units	243	3	—	—	—	—	(3)	—	—
Payment of withholdings on restricted stock units	—	—	—	—	—	—	(1,445)	—	(1,445)
Stock-based compensation	—	—	—	—	—	—	1,250	—	1,250
Net loss	—	—	—	—	—	—	—	(15,639)	(15,639)
Balance at April 29, 2023	37,686	$ 377	—	$ —	—	$ —	$ 79,340	$ 196,866	$ 276,583

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, 2023	April 30, 2022
Cash flows from operating activities:		
Net (loss) income	$ (15,639)	$ 1,998
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation of property and equipment	8,767	7,387
Amortization of deferred financing fees	38	63
Amortization of definite lived intangible	15	24
Noncash lease expense	3,548	3,535
Deferred income taxes	(1,050)	(266)
Stock-based compensation	1,250	1,358
Change in operating assets and liabilities, net of amounts acquired:		
Accounts receivable, net	(363)	683
Operating lease liabilities	(540)	(9,191)
Merchandise inventories	(70,361)	(49,878)
Prepaid expenses and other	786	1,014
Accounts payable	50,172	41,241
Accrued expenses	(9,176)	(15,402)
Income taxes payable and receivable	(4,432)	591
Net cash used in operating activities	(36,985)	(16,843)
Cash flows from investing activities:		
Purchase of property and equipment, net of amounts acquired	(22,757)	(12,001)
Net cash used in investing activities	(22,757)	(12,001)
Cash flows from financing activities:		
Net borrowings on line of credit	62,747	32,451
Decrease in book overdraft	(213)	(1,075)
Payments to acquire treasury stock	(696)	—
Payment of withholdings on restricted stock units	(1,445)	(1,845)
Net cash provided by financing activities	60,393	29,531
Net change in cash and cash equivalents	651	687
Cash and cash equivalents at beginning of period	2,389	57,018
Cash and cash equivalents at end of period	$ 3,040	$ 57,705
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest, net of amounts capitalized	$ 1,776	$ 490
Income taxes, net of refunds	115	116
Supplemental schedule of noncash activities:		
Noncash change in operating lease right of use asset and operating lease liabilities from remeasurement of existing leases and addition of new leases	$ 37,888	$ 6,378
Purchases of property and equipment included in accounts payable and accrued expenses	$ 9,809	$ 4,785

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

(1) Description of Business and Basis of Presentation

Description of Business

Sportsman's Warehouse Holdings, Inc., a Delaware corporation ("Holdings"), and its subsidiaries (collectively, the "Company") operate retail sporting goods stores. As of April 29, 2023, the Company operated 136 stores in 31 states. The Company also operates an e-commerce platform at www.sportsmans.com. The Company's stores and website are aggregated into one 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, 2023 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, 2023 are not necessarily indicative of the results to be obtained for the year ending February 3, 2024. 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, 2023 filed with the SEC on April 13, 2023 (the "Fiscal 2022 Form 10-K").

(2) Summary of Significant Accounting Policies

The Company's significant accounting policies are described in Note 2 to the Company's Fiscal 2022 Form 10-K. Except for the changes below, the Company has consistently applied the accounting policies to all periods presented in these condensed consolidated financial statements.

(3) Revenue Recognition

Revenue recognition accounting policy

The Company operates solely as an outdoor retailer, which includes both retail stores and an e-commerce platform, that offers a broad range of products in the United States and online. Generally, all revenues are recognized when control of the promised goods is transferred to customers, in an amount that reflects the consideration in exchange for those goods. Accordingly, the Company implicitly enters into a contract with customers to deliver merchandise inventory at the point of sale. Collectability is reasonably assured since the Company only extends credit for immaterial purchases to certain municipalities.

Substantially all of the Company's revenue is for single performance obligations for the following distinct items:

- Retail store sales
- E-commerce sales
- Gift cards and loyalty rewards program

For performance obligations related to retail store and e-commerce sales contracts, the Company typically transfers control, for retail stores, upon consummation of the sale when the product is paid for and taken by the customer and, for e-commerce sales, when the products are tendered for delivery to the common carrier.

The transaction price for each contract is the stated price on the product, reduced by any stated discounts at that point in time. The Company does not engage in sales of products that attach a future material right which could result in a separate performance obligation for the purchase of goods in the future at a material discount. The implicit point-of-sale contract with the customer, as reflected in the transaction receipt, states the final terms of the sale, including the description, quantity, and price of each product purchased. Payment for the Company's contracts is due in full upon delivery. The customer agrees to a stated price implicit in the contract that does not vary over the contract.

The transaction price relative to sales subject to a right of return reflects the amount of estimated consideration to which the Company expects to be entitled. This amount of variable consideration included in the transaction price, and measurement of net sales, is included in net sales only to the extent that it is probable that there will be no significant reversal in a future period. Actual amounts of consideration ultimately received may differ from the Company's estimates. The allowance for sales returns is estimated based upon historical experience and a provision for estimated returns is recorded as a reduction in sales in the relevant period. The estimated merchandise inventory cost related to the sales returns is recorded in prepaid expenses and other. The estimated refund liabilities are recorded in accrued expenses. If actual results in the future vary from the Company's estimates, the Company adjusts these estimates, which would affect net sales and earnings in the period such variances become known.

Contract liabilities are recognized primarily for gift card sales and the Company's loyalty reward program. Cash received from the sale of gift cards is recorded as a contract liability in accrued expenses, and the Company recognizes revenue upon the customer's redemption of the gift card. Gift card breakage is recognized as revenue in proportion to the pattern of customer redemptions by applying a historical breakage rate of 4.0% when no escheat liability to relevant jurisdictions exist. Based upon historical experience, gift cards are predominantly redeemed in the first two years following their issuance date. The Company does not sell or provide gift cards that carry expiration dates.

Accounting Standards Codification ("ASC") 606 requires the Company to allocate the transaction price between the goods and the loyalty reward points based on the relative standalone selling price. The Company recognized revenue for the breakage of loyalty reward points as revenue in proportion to the pattern of customer redemption of the points by applying an estimated breakage rate of 35% using historical rates and future expectations.

As it relates to e-commerce sales, the Company accounts for shipping and handling as fulfillment activities, and not as a separate performance obligation. Accordingly, the Company recognizes revenue for only one performance obligation, the sale of the product, at the shipping point (when the customer gains control). The costs associated with fulfillment are recorded in costs of goods sold.

The Company offers promotional financing and credit cards issued by a third-party bank that manages and directly extends credit to the Company's customers. The Company provides a license to its brand and marketing services, and the Company facilitates credit applications in its stores and online. The banks are the sole owners of the accounts receivable generated under the program and, accordingly, the Company does not hold any customer receivables related to these programs and acts as an agent in the financing transactions with customers. The Company is eligible to receive a profit share from certain of its banking partners based on the annual performance of their corresponding portfolio, and the Company receives monthly payments based on forecasts of full-year performance. This is a form of variable consideration. The Company records such profit share as revenue over time using the most likely amount method, which reflects the amount earned each month when it is determined that the likelihood of a significant revenue reversal is not probable, which is typically monthly. Profit-share payments occur monthly, shortly after the end of each program month.

Taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction, that are collected by the Company from a customer, are excluded from revenue.

Sales returns

The Company allows customers to return items purchased within 30 days provided the merchandise is in resaleable condition with original packaging and the original sales/gift receipt is presented. The Company estimates a reserve for sales returns and records the respective reserve amounts, including a right to return asset when a product is expected to be returned and resold. Historical experience of actual returns and customer return rights are the key factors used in determining the estimated sales returns.

Contract balances

The following table provides information about right of return assets, contract liabilities, and sales return liabilities with customers as of April 29, 2023 and January 28, 2023:

	April 29, 2023	January 28, 2023
Right of return assets, which are included in prepaid expenses and other	$ 1,953	$ 1,951
Estimated gift card contract liability, net of breakage	(28,180)	(29,174)
Estimated loyalty contract liability, net of breakage	(4,861)	(5,383)
Sales return liabilities, which are included in accrued expenses	(2,915)	(2,912)

During the 13 weeks ended April 29, 2023, the Company recognized approximately $440 in gift card breakage and approximately $938 in loyalty reward breakage. During the 13 weeks ended April 30, 2022, the Company recognized approximately $434 in gift card breakage and approximately $604 in loyalty reward breakage. During the 13 weeks ended April 29, 2023, the Company recognized revenue of $10,056 relating to contract liabilities that existed at January 28, 2023.

The current balance of the right of return assets is the expected amount of inventory to be returned that is expected to be resold. The current balance of the contract liabilities primarily relates to the gift card and loyalty reward program liabilities. The Company expects the revenue associated with these liabilities to be recognized in proportion to the pattern of customer redemptions over the next two years. The current balance of sales return liabilities is the expected amount of sales returns from sales that have occurred.

Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by department. The percentage of net sales related to the Company's departments during the 13 weeks ended April 29, 2023 and April 30, 2022, was approximately:

		Thirteen Weeks Ended	
Department	Product Offerings	April 29, 2023	April 30, 2022
Camping	Backpacks, camp essentials, canoes and kayaks, coolers, outdoor cooking equipment, sleeping bags, tents and tools	8.9 %	10.8 %
Apparel	Camouflage, jackets, hats, outerwear, sportswear, technical gear and work wear	7.0 %	6.9 %
Fishing	Bait, electronics, fishing rods, flotation items, fly fishing, lines, lures, reels, tackle and small boats	9.1 %	10.4 %
Footwear	Hiking boots, socks, sport sandals, technical footwear, trail shoes, casual shoes, waders and work boots	6.7 %	6.3 %
Hunting and Shooting	Ammunition, archery items, ATV accessories, blinds and tree stands, decoys, firearms, reloading equipment and shooting gear	63.2 %	60.3 %
Optics, Electronics, Accessories, and Other	Gift items, GPS devices, knives, lighting, optics, two-way radios, and other license revenue, net of revenue discounts	5.1 %	5.3 %
Total		100.0 %	100.0 %

(4) Property and Equipment

Property and equipment as of April 29, 2023 and January 28, 2023 were as follows:

	April 29, 2023	January 28, 2023
Furniture, fixtures, and equipment	$ 150,471	$ 138,004
Leasehold improvements	173,887	170,494
Construction in progress	27,132	20,875
Total property and equipment, gross	351,490	329,373
Less accumulated depreciation and amortization	(174,520)	(166,787)
Total property and equipment, net	$ 176,970	$ 162,586

(5) Accrued Expenses

Accrued expenses consisted of the following as of April 29, 2023 and January 28, 2023:

	April 29, 2023	January 28, 2023
Book overdraft	$ 16,039	$ 20,723
Unearned revenue	36,845	41,203
Accrued payroll and related expenses	11,327	15,820
Sales and use tax payable	5,994	5,896
Accrued construction costs	1,323	1,469
Other	18,912	14,865
Total accrued expenses	$ 90,440	$ 99,976

(6) Leases

At the inception of the lease, the Company’s operating leases have remaining certain lease terms of up to 15 years, which typically includes multiple options for the Company to extend the lease which are not reasonably certain.

The Company determines whether a contract is or contains a lease at contract inception. As the rate implicit in the lease is not readily determinable in most of the Company’s leases, the Company uses its incremental borrowing rate based on the information available at commencement date to determine the present value of lease payments. The Company's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms. The operating lease asset also includes any fixed lease payments made and includes lease incentives and incurred initial direct costs. Operating lease expense for fixed lease payments is recognized on a straight-line basis over the lease term. The Company’s lease terms may include options to extend or terminate the lease. Additionally, the Company’s leases do not contain any material residual guarantees or material restrictive covenants.

During the 13 weeks ended April 29, 2023, the Company recorded a non-cash increase of $37,888 to the right of use assets and operating lease liabilities resulting from lease remeasurements from the exercise of lease extension options, acquired leases, and new leases added.

The Company’s lease agreements do not contain any material residual value guarantees or material restrictive covenants.

In accordance with ASC 842, total lease expense was comprised of the following for the periods presented:

	Thirteen Weeks Ended	
	April 29, 2023	April 30, 2022
Operating lease expense	$ 15,588	$ 14,395
Variable lease expense	5,493	4,302
Short-term lease expense	261	270
Total lease expense	$ 21,342	$ 18,967

In accordance with ASC 842, other information related to leases was as follows for the periods presented:

	Thirteen Weeks Ended	
	April 29, 2023	April 30, 2022
Operating cash flows from operating leases	$ (16,826)	$ (15,520)
	As of April 29, 2023	As of April 30, 2022
Right-of-use assets obtained in exchange for new or remeasured operating lease liabilities	$ 37,888	$ 6,378
Terminated right-of-use assets and liabilities	—	—
Weighted-average remaining lease term - operating leases	5.83	5.66
Weighted-average discount rate - operating leases	7.80 %	8.21 %

In accordance with ASC 842, maturities of operating lease liabilities as of April 29, 2023 were as follows:

Year Ending:	Operating Leases
2023 (remainder)	$ 52,950
2024	68,426
2025	61,714
2026	56,654
2027	49,103
Thereafter	168,548
Undiscounted cash flows	$ 457,395
Reconciliation of lease liabilities:	
Present values	$ 343,271
Lease liabilities - current	46,631
Lease liabilities - noncurrent	296,640
Lease liabilities - total	$ 343,271
Difference between undiscounted and discounted cash flows	$ 114,124

The Company has excluded in the table above approximately $14.1 million of leases (undiscounted basis) that were entered into as of May 15, 2023. These leases will commence in 2023 with lease terms of 10 years.

(7) Revolving Line of Credit

On May 27, 2022, Sportsman's Warehouse, Inc. ("SWI"), a wholly owned subsidiary of Holdings, as lead borrower, Holdings and other subsidiaries of the Company, each as borrowers or guarantors, and Wells Fargo Bank, National Association ("Wells Fargo"), with a consortium of banks led by Wells Fargo, entered into an Amended and Restated Credit Agreement (as amended, restated, supplemented or otherwise modified, the "Credit Agreement"). The Credit Agreement governs the Company's senior secured revolving credit facility ("Revolving Line of Credit"). The Revolving Line of Credit provides borrowing capacity of up to $350,000, subject to a borrowing base calculation.

In conjunction with the Credit Agreement, the Company incurred $508 of fees paid to various parties which were capitalized. Fees associated with the Revolving Line of Credit were recorded in prepaid expenses and other assets.

As of April 29, 2023 and January 28, 2023, the Company had $162,581 and $96,892, 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 type arrangements, which were $12,331 and $9,389 as of April 29, 2023 and January 28, 2023, respectively. As of April 29, 2023, the Company had $150,452 available for borrowing, subject to certain borrowing base restrictions and stand-by commercial letters of credit of $1,967 under the terms of the Revolving Line of Credit.

Borrowings under the Revolving Line of Credit bear interest based on either the base rate or Term SOFR (as defined in the Credit Agreement), at the Company's option, in each case plus an applicable margin. The base rate is the greatest of (1) the floor rate (as defined in the Credit Agreement as a rate of interest equal to 0.0%) (2) Wells Fargo's prime rate, (3) the federal funds rate (as defined in the Credit Agreement) plus 0.50% or (4) the one-month Term SOFR (as defined in the Credit Agreement) plus 1.00%. The applicable margin for loans under the Revolving Line of Credit, which varies based on the average daily availability, ranges from 0.25% to 0.50% per year for base rate loans and from 1.35% to 1.60% per year for Term SOFR loans. The Company is required to pay a commitment fee for the unused portion of the Revolving Line of Credit, which will range from 0.20% to 0.225% per annum, depending on the average daily availability under the Revolving Line of Credit.

The Company may be required to make mandatory prepayments under the Revolving Line of Credit 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 Credit Agreement 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 Credit Agreement also requires the Company to maintain a minimum availability at all times of not less than 10.0% of the gross borrowing base and contains customary events of default. The Revolving Line of Credit matures on May 27, 2027.

Each of the subsidiaries of Holdings is a borrower under the Revolving Line of Credit, and all obligations under the Revolving Line of Credit are guaranteed by Holdings. All of the obligations under the Revolving Line of Credit are secured by a lien on substantially all of Holdings' tangible and intangible working capital assets and the tangible and intangible working capital assets of all of Holdings' subsidiaries, including a pledge of all capital stock of each of Holdings' subsidiaries. The lien securing the obligations under the Revolving Line of Credit is a first priority lien as to certain liquid assets, including cash, accounts receivable, deposit accounts and inventory.

As of April 29, 2023 and January 28, 2023, the Credit Agreement had $619 and $657, respectively, in deferred financing fees. During the 13 weeks ended April 29, 2023, the Company recognized $38 of non-cash interest expense with respect to the amortization of deferred financing fees. During the 13 weeks ended April 30, 2022, the Company recognized $63 of non-cash interest expense with respect to the amortization of deferred financing fees.

During the 13 weeks ended April 29, 2023, gross borrowings under the Revolving Line of Credit were $357,346. During the 13 weeks ended April 30, 2022 gross borrowing under the Company's prior revolving line of credit were $372,716. During the 13 weeks ended April 29, 2023, gross paydowns under the Revolving Line of Credit were $293,798. During the 13 weeks ended April 30, 2022, gross paydowns under the Company's prior revolving line of credit were $337,639.

Restricted Net Assets

The provisions of 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, 2023, from being used to pay any dividends without prior written consent from the financial institutions party to the Revolving Line of Credit.

(8) Income Taxes

The Company recognized income tax benefit of $5,367 and income tax expense of $441, respectively, in the 13 weeks ended April 29, 2023 and April 30, 2022. The Company's effective tax rate during the 13 weeks ended April 29, 2023 and April 30, 2022 was 25.5% and 18.1%, respectively. The Company's effective tax rate will generally differ from the U.S. Federal statutory rate of 21.0%, due to state taxes, permanent items, and discrete items relating to stock award deductions.

(9) Stockholders' Equity

Earnings 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 per share for the periods presented:

	Thirteen Weeks Ended	
	April 29, 2023	April 30, 2022
Net (loss) income	$ (15,639)	$ 1,998
Weighted average shares of common stock outstanding:		
Basic	37,610	43,938
Dilutive effect of common stock equivalents	—	283
Diluted	37,610	44,221
Basic (loss) earnings per share	$ (0.42)	$ 0.05
Diluted (loss) earnings per share	$ (0.42)	$ 0.05
Restricted stock units considered anti-dilutive and excluded in the calculation	238	128

Repurchase Program

On March 24, 2022 the Company announced that its Board of Directors had authorized a share repurchase program (the "Repurchase Program") to allow for the repurchase of up to $75.0 million of outstanding shares of the Company's common stock, $0.01 par value per share, commencing on March 31, 2022. On March 15, 2023, the Company's Board of Directors extended the term of the Repurchase Program through March 31, 2024. During the 13 weeks ended April 29, 2023, the Company repurchased approximately 0.1 million shares of its common stock for $0.7 million, utilizing cash on hand and available borrowings under its Revolving Line of Credit. The Company has retired all repurchased stock.

(10) Stock-Based Compensation

Stock-Based Compensation

During the 13 weeks ended April 29, 2023, the Company recognized total stock-based compensation expense of $1,250. During the 13 weeks ended April 30, 2022, the Company recognized total stock-based compensation expense of $1,358. 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, 2023, the number of shares available for awards under the 2019 Performance Incentive Plan (the “2019 Plan”) was 1,401. As of April 29, 2023, there were 1,007 unvested stock awards outstanding under the 2019 Plan.

Employee Stock Purchase Plan

The Company also maintains an Employee Stock Purchase Plan (the “ESPP”) that was approved by the Company's stockholders in fiscal year 2015, under which 800 shares of common stock were authorized. During the 13 weeks ended April 29, 2023, no shares were issued under the ESPP and, as of April 29, 2023, the number of shares available for issuance was 270.

Nonvested Performance-Based Stock Awards

During the 13 weeks ended April 29, 2023, the Company issued 36 nonvested performance-based stock awards to employees at a weighted average grant date fair value of $8.40 per share. The nonvested performance-based stock awards issued to employees vest in full on the third anniversary of the grant date. The number of shares issued is contingent on management achieving fiscal year 2023, 2024, and 2025 performance targets for percentage of total return on invested capital and total operating income percentage. If minimum threshold performance targets are not achieved, no shares will vest. The maximum number of shares subject to the award is 72, and the “target” number of shares subject to the award is 36 as reported below. Following the end of the performance period (fiscal years 2023, 2024, and 2025), the number of shares eligible to vest, based on actual performance, will be fixed and vesting will then be subject to each employee’s continued employment over the remaining service period.

During the 13 weeks ended April 30, 2022, the Company issued 141 nonvested performance-based stock awards to employees at a weighted average grant date fair value of $11.29 per share. The nonvested performance-based stock awards issued to employees vest in full on the third anniversary of the grant date. The number of shares issued is contingent on management achieving fiscal year 2022, 2023, and 2024 performance targets for total revenue growth and adjusted EPS. If minimum threshold performance targets are not achieved, no shares will vest. The maximum number of shares subject to the award is 282, and the “target” number of shares subject to the award is 141 as reported below. Following the end of the performance period (fiscal years 2022, 2023, and 2024), the number of shares eligible to vest, based on actual performance, will be fixed and vesting will then be subject to each employee’s continued employment over the remaining service period.

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, 2023	313	$ 7.72
Grants	36	8.40
Forfeitures	(64)	11.28
Vested	(221)	6.20
Balance at April 29, 2023	64	$ 9.67

	Shares		Weighted average grant-date fair value
Balance at January 29, 2022	487	$	5.13
Grants	141		11.29
Forfeitures	(39)		5.63
Vested	(168)		3.49
Balance at April 30, 2022	421	$	7.81

Nonvested Stock Unit Awards

During the 13 weeks ended April 29, 2023, the Company issued 522 nonvested stock units to employees of the Company at an average value of $8.20 per share. The shares issued to employees of the Company vest over a three-year period with one third of the shares vesting on each anniversary of the grant date.

During the 13 weeks ended April 30, 2022, the Company issued 308 nonvested stock units to employees of the Company at an average value of $11.28 per share. The shares issued to employees of the Company vest over a three-year period with one third of the shares vesting on each anniversary of the grant date.

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, 2023	721	$	12.16
Grants	522		8.20
Forfeitures	(91)		12.55
Vested	(209)		10.64
Balance at April 29, 2023	943	$	9.59

	Shares		Weighted average grant-date fair value
Balance at January 29, 2022	929	$	11.56
Grants	308		11.28
Forfeitures	(21)		11.70
Vested	(248)		7.96
Balance at April 30, 2022	968	$	12.39

(11) Commitments and Contingencies

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.

TMS McCarthy, LP, Etc., Pltf. v. Sportsman's Warehouse Southwest, Inc. Etc. Et Al., Dfts.- On June 23, 2020 TMS McCarthy, LP ("TMS McCarthy") filed a complaint in the Superior Court of the State of California for the County of Santa Clara against Sportsman's Warehouse Southwest, Inc., a wholly owned subsidiary of Sportsman's

Warehouse Holdings Inc., claiming the Company wrongfully terminated the lease relating to one of its stores. During the 13 weeks ended April 29, 2023, the Company entered into a settlement agreement with TMS McCarthy to settle the lawsuit. As part of the settlement agreement, the Company made a one-time payment to TMS McCarthy during the 13 weeks ended April 29, 2023 in the amount of $2,087. TMS McCarthy agreed to dismiss all claims in the litigation.

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 the "Risk Factors" section in Part I., Item 1A. of our Fiscal 2022 Form 10-K. Also see "Special Note Regarding Forward-Looking Statements" preceding Part I in this 10-Q. Additionally, our historical results are not necessarily indicative of the results that may be expected for any period in the future.

The following discussion and analysis should be read in conjunction with, and is qualified in its entirety by reference to, the unaudited condensed consolidated financial statements and the notes thereto included in this 10-Q.

Overview

We are an outdoor sporting goods retailer focused on meeting the everyday needs of the seasoned outdoor veteran, the first-time participant and everyone in between. Our mission is to provide outstanding gear and exceptional service to inspire outdoor memories.

Our business was founded in 1986 as a single retail store in Midvale, Utah. Today, we operate 136 stores in 31 states, totaling approximately 5.1 million gross square feet. We also operate an e-commerce platform at *www.sportsmans.com*. We do not incorporate the information on or accessible through our website into this 10-Q, and you should not consider any information on, or that can be accessed through, our website as part of this 10-Q.

Our stores and our e-commerce platform are aggregated into one operating and reportable segment.

Impact of Macroeconomic Conditions

Our financial results and operations have been, and will continue to be, impacted by events outside of our control.

Since the beginning of the COVID-19 pandemic in mid-March 2020 and continuing into the first quarter of our fiscal year 2023, we have experienced increases in net sales compared to pre-pandemic levels, primarily driven by historically high sales in certain product categories, particularly firearms and ammunition. However, while our net sales and same store sales remain elevated as compared to pre-COVID periods, we are continuing to experience steady decreases in net sales and same store sales from the COVID-driven peak levels in 2021.

Global economic and business activities continue to face widespread macroeconomic uncertainties, including labor shortages, inflation and monetary supply shifts, recession risks and potential disruptions from the Russia-Ukraine conflict. Starting in the second half of 2022 and continuing into the first quarter of 2023, our business was impacted by consumer inflationary pressures and recession concerns. We continue to actively monitor the impact of these macroeconomic factors on our financial condition, liquidity, operations, suppliers, industry and workforce. The extent of the impact of these factors on our operational and financial performance, including our ability to execute our business strategies and initiatives in the expected timeframe, will depend on future developments, and the impact on our customers, partners and employees, all of which are uncertain and cannot be predicted; however, any continued or renewed disruption resulting from these factors could negatively impact our business.

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 earnings before interest, taxes, depreciation and amortization ("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 and include each 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 grand opening or acquisition by us. We exclude sales from stores that were closed during the period from our same store sales calculation. We include net sales from e-commerce in our calculation of same store sales. For fiscal years consisting of 53 weeks, we exclude net sales during the 53rd week from our calculation of same store sales. Some of our competitors and other retailers may calculate same store sales differently than we do. As a result, data regarding our same store sales may not be comparable to similar data made available by other retailers.

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:

- macroeconomic factors, such as the ongoing impact of the COVID-19 pandemic, political trends, social unrest, inflationary pressures, recessionary trends, labor shortages, monetary supply shifts, rising interest rates, tightening of credit markets, and potential disruptions from the ongoing Russia-Ukraine conflict;
- consumer preferences, buying trends and overall economic trends;
- changes or anticipated changes to laws and government regulations related to some of the products we sell, in particular regulations relating to the sale of firearms and ammunition;
- 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;
- the success of our omni-channel strategy and our e-commerce platform;
- competition in the regional market of a store;
- atypical weather;
- new product introductions and changes in our product mix; and
- changes in pricing and average ticket sales.

We operate in a complex regulatory and legal environment that could negatively impact the demand for our products, which could significantly affect our operations and financial results. State, local and federal laws and regulations relating to products that we sell may change, sometimes significantly, as a result of political, economic or social events. For instance, in November 2022, the State of Oregon passed legislation that will, among other things, impose complex permitting and training requirements for the purchases of firearms. As a result, sales of firearms in Oregon may be halted or substantially diminished until such permitting and training programs are developed by the state, which may take a significant amount of time. If that were to occur, it could result in a substantial decline in our sales of firearms and related products and reduce traffic to our stores in Oregon, which could have a substantial impact on our sales and gross margin. On December 6, 2022 a state court judge in Oregon temporarily blocked the enforcement of such legislation. We currently operate eight stores in the State of Oregon.

Opening new stores and acquiring store locations is also an important part of our growth strategy. For fiscal year 2022 we opened nine stores and we currently plan to open 15 new stores in fiscal year 2023. We may deviate from this target if attractive opportunities are presented to open stores or acquire new store locations outside of our target growth rate.

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

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

- increasing our total gross square footage by opening new stores and through strategic acquisitions;
- increasing and improving 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;
- growing our loyalty and credit card programs; and
- expanding our omni-channel capabilities through larger assortment and inventory, expanded content and expertise and better user experience.

Gross Margin

Gross profit consists of 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 apparel and footwear, increasing foot traffic within our stores and traffic to our website, improving buying opportunities with our vendor partners and coordinating pricing strategies among our stores and our merchandise group. 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 can also help improve our gross margins, because increased merchandise volumes will enable us to maintain our strong relationships with our vendors.

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 stock-based compensation expense. 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. In addition, we have experienced increased payroll expenses due to increased minimum wages and generally increasing salaries and wages due to a competitive labor market and inflation. We expect payroll expense to increase in fiscal year 2023. In response to persistent consumer inflationary pressures and adverse weather conditions in the Western United States during the first half of fiscal year 2023, we are currently developing a company-wide plan to reduce expenses, with increased focus on financial discipline and rigor throughout the organization.

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, and other gains, losses and expenses that we do not believe are indicative of our ongoing expenses. We define Adjusted EBITDA margin as Adjusted EBITDA divided by net sales. In evaluating our business, we use 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. See "—Non-GAAP Financial Measures."

Results of Operations

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

	Thirteen Weeks Ended	
	April 29, 2023	April 30, 2022
Percentage of net sales:		
Net sales	100.0 %	100.0 %
Cost of goods sold	70.1	68.0
Gross profit	29.9	32.0
Selling, general, and administrative expenses	37.0	31.0
(Loss) income from operations	(7.1)	1.0
Interest expense	0.8	0.2
(Loss) income before income taxes	(7.9)	0.8
Income tax (benefit) expense	(2.0)	0.1
Net (loss) income	(5.9)%	0.7 %
Adjusted EBITDA	(2.1)%	4.2 %

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

Department	Product Offerings	Thirteen Weeks Ended April 29, 2023	Thirteen Weeks Ended April 30, 2022
Camping	Backpacks, camp essentials, canoes and kayaks, coolers, outdoor cooking equipment, sleeping bags, tents and tools	8.9 %	10.8 %
Apparel	Camouflage, jackets, hats, outerwear, sportswear, technical gear and work wear	7.0 %	6.9 %
Fishing	Bait, electronics, fishing rods, flotation items, fly fishing, lines, lures, reels, tackle and small boats	9.1 %	10.4 %
Footwear	Hiking boots, socks, sport sandals, technical footwear, trail shoes, casual shoes, waders and work boots	6.7 %	6.3 %
Hunting and Shooting	Ammunition, archery items, ATV accessories, blinds and tree stands, decoys, firearms, reloading equipment and shooting gear	63.2 %	60.3 %
Optics, Electronics, Accessories, and Other	Gift items, GPS devices, knives, lighting, optics, two-way radios, and other license revenue, net of revenue discounts	5.1 %	5.3 %
Total		100.0 %	100.0 %

Thirteen Weeks Ended April 29, 2023 Compared to Thirteen Weeks Ended April 30, 2022

Net Sales and Same Store Sales. Net sales decreased by $42.0 million, or 13.6%, to $267.5 million during the 13 weeks ended April 29, 2023 compared to $309.5 million in the corresponding period of fiscal year 2022. Our net sales decreased primarily due to lower demand across all product categories resulting from extended winter conditions in the Western United States compared to the prior year leading to decreased outdoor participation and the continued impact of consumer inflationary pressures and recessionary concerns, partially offset by our opening of 11 new stores since April 30, 2022. Stores that have been open for less than 12 months and were, therefore, not included in our same store sales, contributed $15.5 million to net sales. E-commerce driven sales comprised more than 15% of total sales for the 13 weeks ended April 29, 2023. Same store sales decreased by 17.8% during the 13 weeks ended April 29, 2023 compared to the corresponding 13-week period of fiscal year 2022, primarily as a result of the same factors noted above for net sales.

Our Hunting and Shooting, Camping, Fishing, Optics, Electronics and Accessories, Apparel and Footwear departments saw net sales decreases of $17.7 million, $9.6 million, $7.6 million, $2.7 million, $2.6 million and $1.7 million, respectively, in the first quarter of fiscal year 2023 compared to the corresponding period of fiscal year 2022. Within our Hunting and Shooting department, our firearm and ammunition categories saw decreases of $1.6 million and $16.9 million or 1.9% and 27.1%, respectively, in the first quarter of fiscal year 2023 compared to the corresponding period of fiscal year 2022. The decrease in our ammunition category was primarily driven by a normalization of sales in this category during the first quarter of fiscal year 2023 compared to the pull forward of ammunition sales in the first quarter of fiscal year 2022 as we returned to normal in-stocks for ammunition during that period. This was partially offset by our opening of 11 new stores since April 30, 2022.

With respect to same store sales, during the 13 weeks ended April 29, 2023, our Camping, Fishing, Optics, Electronics and Accessories, Apparel, Hunting and Shooting and Footwear departments saw decreases of 31.6%, 28.9%, 20.9%, 16.3%, 13.8% and 12.2%, respectively, compared to the corresponding period of fiscal year 2022, as we continued to feel the impact of consumer inflationary pressures and recessionary concerns. As of April 29, 2023, we had 122 stores included in our same store sales calculation.

Gross Profit. Gross profit decreased by $19.1 million, or 19.3%, to $80.0 million during the 13 weeks ended April 29, 2023 compared to $99.1 million for the corresponding period of fiscal year 2022. As a percentage of net sales, gross profit decreased to 29.9% during the 13 weeks ended April 29, 2023, compared to 32.0% for the corresponding period of fiscal year 2022, primarily driven by a reduction in sales mix in our Camping and Fishing departments, which carry a higher margin profile and lower comparable product margins, mainly in ammunition.

Selling, General, and Administrative Expenses. Selling, general, and administrative expenses increased by $2.9 million, or 3.0%, to $99.0 million during the 13 weeks ended April 29, 2023 from $96.1 million for the corresponding period of fiscal year 2022. This increase was primarily the result of increases in rent, depreciation and new store pre-opening expenses of $2.4 million, $1.4 million, and $1.3 million, respectively, during the 13 weeks ended April 29, 2023 primarily related to the opening of 11 new stores since April 30, 2022. Additionally, we incurred $1.1 million in expenses for employee retention bonuses after the retirement of our Chief Executive Officer, Jon Barker in April 2023, the engagement of a search firm to identify director candidates and candidates for Chief Executive Officer, and fees paid to a communications firm related to our recent board and management changes. These increases were offset by a $1.5 million decrease in each of other operating and payroll expenses. These decreases were primarily driven by reduced marketing expenses and increased operational efficiencies across our retail stores. As a percentage of net sales, selling, general, and administrative expenses increased to 37.0% of net sales in the first quarter of fiscal year 2023, compared to 31.0% of net sales in the first quarter of fiscal year 2022, as a result of the same factors that drove the increase in selling, general, and administrative expenses.

Interest Expense. Interest expense increased by $1.4 million, or 233.3%, to $2.0 million during the 13 weeks ended April 29, 2023 from $0.6 million for the corresponding period of fiscal year 2022. Interest expense increased primarily as a result of increased borrowings on our revolving credit facility and higher interest rates during the first quarter of fiscal year 2023 compared to the corresponding period of fiscal year 2022.

Income Taxes. We recognized an income tax benefit of $5.4 million during the 13 weeks ended April 29, 2023 compared to an income tax expense of $0.4 million during the comparable 13-week period of fiscal year 2022. Our effective tax rates during the 13 weeks ended April 29, 2023 and April 30, 2022 were 25.5% and 18.1%, respectively. Our effective tax rate will generally differ from the U.S. Federal statutory rate of 21.0%, due to state taxes, permanent items, and discrete items relating to stock award deductions.

Seasonality

Due to the openings of hunting season across the country and consumer holiday buying patterns, 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 sales 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 non-recurring expenses related to opening each new retail store, 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 apparel 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. For example, weather conditions have been a significant headwind for us in the first half of fiscal year 2023, especially in the western half of the United States. A combination of unusually high amounts of rain and snow is influencing the timing of the spring fishing and camping seasons, likely pushing these to later than normal.

Liquidity and Capital Resources

Overview; Uses and Sources of Cash

As of April 29, 2023, we had cash and cash equivalents of $3.0 million and working capital, consisting of current assets less current liabilities, of $100.0 million. As of January 28, 2023, we had cash and cash equivalents of $2.4 million and working capital, consisting of current assets less current liabilities, of $130.1 million.

Our primary cash requirements are for seasonal working capital needs and capital expenditures related to opening and acquiring new store locations. For both the short-term and the long-term, our primary sources of cash are borrowings under our $350.0 million senior secured revolving credit facility, operating cash flows and short and long-term debt financings from other 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 and meet our cash requirements for at least the next twelve months and beyond.

Material Cash Requirements

Our material cash requirements from known contractual and other obligations are primarily for opening and acquiring new store locations, along with our general operating expenses and other expenses discussed below.

Purchase Obligations. In the ordinary course of business, we enter into arrangements with vendors to purchase merchandise in advance of expected delivery. We or the vendor can generally terminate the purchase orders at any time. These purchase orders do not contain any termination payments or other penalties if cancelled. During fiscal 2021, we used cash to increase our inventory levels after the increased demand during the pandemic reduced our inventory. We returned to more historical levels of inventory purchases during fiscal 2022 and expect our inventory purchases will continue to stabilize in fiscal 2023.

Operating Lease Obligations. Operating lease commitments consist principally of leases for our retail stores, corporate office and distribution center. Our leases often include options which allow us to extend the terms beyond the initial lease term. Our expected operating lease payments for the remainder of fiscal year 2023 are $53.0 million and our total committed lease payments are $457.4 million as of April 29, 2023. Other operating lease obligations consist of distribution center equipment. See Note 6, “Leases” to our condensed consolidated financial statements included in this 10-Q.

Capital Expenditures. For the 13 weeks ended April 29, 2023, we incurred approximately $19.6 million in capital expenditures, net of $3.2 million in tenant allowances, primarily related to the construction of new stores and the refurbishment of existing stores during the period. We expect capital expenditures, net of tenant allowances, between $48 million and $56 million for fiscal year 2023 (inclusive of amounts spent during the 13 weeks ended April 29, 2023) primarily to refurbish some of our existing stores and to open 15 new stores in fiscal year 2023. We intend to fund these capital expenditures with our operating cash flows, cash on hand 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.

Principal and Interest Payments. We maintain a $350.0 million revolving credit facility. As of April 29, 2023, $162.6 million was outstanding under the revolving credit facility. Assuming no additional repayments or borrowings on our revolving credit facility after April 29, 2023 our interest payments would be approximately $7.7 million for the remainder of fiscal year 2023 based on the interest rate as of April 29, 2023. See below under “Indebtedness” for additional information regarding our revolving credit facility, including the interest rate applicable to any borrowing under such facility.

Share Repurchase Authorization. Our board of directors authorized a share repurchase program to provide for the repurchase of up to $75.0 million of outstanding shares of our common stock during the period from March 31, 2022 to March 31, 2023. On March 15, 2023, our board of directors extended the term of the share repurchase program through March 31, 2024. We may repurchase shares of our common stock at any time or from time to time, without prior notice, subject to market conditions and other considerations. Our repurchases may be made through Rule 10b5-1 plans, accelerated share repurchase transactions, open market purchases, privately negotiated transactions, tender offers, block purchases or other transactions. We intend to fund repurchases under the repurchase program using cash on hand or available borrowings under our revolving credit facility. We have no obligation to repurchase any shares of our common stock under the share repurchase program and we may modify, suspend or discontinue it at any time. As of April 29, 2023, we had repurchased 6,895,209 shares of our common stock for $65.4 million, utilizing cash on hand and available borrowings under our revolving credit facility. In addition, as of April 29, 2023, $9.6 million remained available to us for repurchases of outstanding shares of our common stock pursuant to the share repurchase program.

Cash Flows

Cash flows provided by (used in) operating, investing and financing activities are shown in the following table:

	Thirteen Weeks Ended	
	April 29, 2023	April 30, 2022
	(in thousands)	
Cash flows used in operating activities	$ (36,985)	$ (16,843)
Cash flows used in investing activities	(22,757)	(12,001)
Cash provided by financing activities	60,393	29,531
Cash at end of period	3,040	57,705

Net cash used in operating activities was $37.0 million for the 13 weeks ended April 29, 2023, compared to net cash used in operating activities of $16.8 million for the corresponding period of fiscal year 2022, a change of approximately $20.2 million. The increase in our cash flows used in operating activities was primarily driven by increased inventory levels due to our addition of 11 new stores since April 30, 2022.

Net cash used in investing activities was $22.8 million for the 13 weeks ended April 29, 2023, compared to $12.0 million for the corresponding period of fiscal year 2022, an increase of approximately $10.8 million, which was primarily driven by capital expenditures related to the construction of new stores and the refurbishment of existing stores we incurred during the 13 weeks ended April 29, 2023.

Net cash provided by financing activities was $60.4 million for the 13 weeks ended April 29, 2023, compared to net cash provided by financing activities of $29.5 million for the corresponding period of fiscal year 2022, a change of approximately $30.9 million. The increase in cash provided by financing activities was primarily the result of an increase in borrowings under our revolving credit facility.

Indebtedness

We maintain our $350.0 million revolving credit facility, with $162.6 million outstanding as of April 29, 2023. Borrowings under our revolving credit facility are subject to a borrowing base calculation. Our revolving credit facility is governed by an amended and restated credit agreement with a consortium of banks led by Wells Fargo Bank, National Association. As of April 29, 2023, we had $150.5 million available for borrowing, subject to certain borrowing base restrictions, and $2.0 million in stand-by commercial letters of credit.

Borrowings under the revolving credit facility bear interest based on either the base rate or Term SOFR, at our option, in each case plus an applicable margin. The base rate is the greatest of (1) the floor rate (as defined in the credit agreement as a rate of interest equal to 0.0%) (2) Wells Fargo's prime rate, (3) the federal funds rate (as defined in the credit agreement) plus 0.50% or (4) the one-month Term SOFR (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 0.25% to 0.50% per year for base rate loans and from 1.35% to 1.60% per year for Term SOFR loans. We are required to pay a commitment fee for the unused portion of the revolving credit facility, which will range from 0.20% to 0.225% per annum, depending on the average daily availability under the revolving credit facility.

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 the obligations under the revolving credit facility are secured by a lien on substantially all of Holdings' tangible and intangible working capital assets and the tangible and intangible working capital assets of all of Holdings' subsidiaries, including a pledge of all capital stock of each of

Holdings' 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.

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.

Our revolving credit facility requires us to maintain a minimum availability at all times of not less than 10% of the gross borrowing base. In addition, the credit agreement governing our 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 credit agreement also contains customary events of default. As of April 29, 2023, we were in compliance with all covenants under the credit agreement governing our revolving credit facility.

Critical Accounting Estimates

Our financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("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 estimates as described in "Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Fiscal 2022 Form 10-K.

Off Balance Sheet Arrangements

We are not party to any off balance sheet arrangements.

Non-GAAP Financial 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 (loss) income plus interest expense, income tax (benefit) expense, depreciation and amortization, stock-based compensation expense, pre-opening expenses and director and officer transition costs. Net (loss) income is the most comparable GAAP financial measure to Adjusted EBITDA. 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. We define Adjusted EBITDA margin as, 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. Management believes Adjusted EBITDA and Adjusted EBITDA margin allow investors to evaluate our operating performance and compare our results of operations from period to period on a consistent basis by excluding items that management does not believe are indicative of our core operating performance.

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.

A reconciliation of net income, to Adjusted EBITDA and a calculation of Adjusted EBITDA margin is set forth below for the periods presented (amounts in thousands):

	Thirteen Weeks Ended	
	April 29, 2023	April 30, 2022
	(dollars in thousands)	
Net (loss) income	$ (15,639)	$ 1,998
Interest expense	2,047	567
Income tax (benefit) expense	(5,367)	441
Depreciation and amortization	8,782	7,411
Stock-based compensation expense (1)	1,250	1,358
Pre-opening expenses (2)	2,256	951
Director and officer transition costs (3)	1,113	222
Adjusted EBITDA	$ (5,558)	$ 12,948
Net sales	$ 267,529	$ 309,505
Net (loss) income margin	(5.9)%	0.6%
Adjusted EBITDA margin (4)	(2.1)%	4.2%

(1) Stock-based compensation expense represents non-cash expenses related to equity instruments granted to employees under the Sportsman's Warehouse Holdings, Inc. 2019 Performance Incentive Plan and the Sportsman's Warehouse Holdings, Inc. 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 incurred relating to departure of directors and officers and the recruitment of directors and key members of our senior management team. For the 13 weeks ended April 29, 2023, we incurred $1.1 million in expenses for employee retention bonuses after the retirement of our Chief Executive Officer, Jon Barker, in April 2023, the engagement of a search firm to identify director candidates and candidates for Chief Executive Officer, and fees paid to a communications firm related to our recent board and management changes.

(4) We calculate net income margin as net income divided by net sales and we define Adjusted EBITDA margin as Adjusted EBITDA divided by net sales.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our principal exposure to market risk relates to changes in interest rates. Borrowings under our revolving credit facility carry a floating interest rate tied to Term SOFR, 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. Based on a sensitivity analysis at April 29, 2023, 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 have increased our interest expense by $1.7 million. 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

Our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC’s rules and forms and to ensure that information required to be disclosed is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosures. Our management has evaluated, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), as of the end of the period covered by this 10-Q. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of April 29, 2023.

Inherent Limitations in Effectiveness of Controls

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures, or our internal controls, will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the company have been detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple error or mistake or fraud. Additionally, controls can be circumvented by individuals or groups of persons or by an unauthorized override of the controls. Accordingly, because of the inherent limitations in our control system, misstatements in our public reports due to error or fraud may occur and not be detected.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(d) and 15d-15(d) under the Exchange Act) during the 13 weeks ended April 29, 2023 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

See Note 11, “Commitments and Contingencies” to our condensed consolidated financial statements for additional information, which is incorporated herein by reference.

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 risk factors from those set forth in our Fiscal 2022 Form 10-K.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Unregistered Sales of Equity Securities

None.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

On March 24, 2022, we announced that our board of directors authorized a share repurchase program to allow for our repurchase of up to $75.0 million of outstanding shares of our common stock during the period from March 31, 2022 to March 31, 2023. On March 15, 2023, our board of directors extended the term of the share repurchase program through March 31, 2024. During the 13 weeks ended April 29, 2023 , we repurchased a total of 97,500 shares of our common stock for $0.7 million, utilizing cash on hand and our senior secured revolving credit facility.

The following table sets forth certain information relating to the purchases of our common stock by us and any affiliated purchasers within the meaning of Rule 10b-18(a)(3) under the Exchange Act during the 13 weeks ended April 29, 2023 (dollars in thousands, except share and per share data):

Period	Total # of Shares Purchased	Average Price Paid per Share	Total # of Shares Purchased as Part of a Publicly Announced Program	Maximum Dollar Value of Shares that May yet Be Purchased Under the Program
January 29, 2023 to February 28, 2023	—	N/A	—	$ 10,252
February 29, 2023 to March 30, 2023	—	N/A	—	$ 10,252
March 31, 2023 to April 29, 2023	97,500	$ 7.13	97,500	$ 9,557
Total	97,500	$ 7.13	97,500	$ 9,557

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibit Number	Description
10.1+	Retention Agreement, dated April 27, 2023 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on May 2, 2023).
10.2*	Sportsman's Warehouse Holdings, Inc. Directors' Compensation Policy (as amended March 14, 2023, effective June 7, 2023).
31.1*	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. 1350, as adopted by Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL 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.
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* 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 31, 2023	By:	/s/Joseph P. Schneider
		Joseph P. Schneider
		Interim President and Interim Chief Executive Officer
		(Principal Executive Officer)
Date: May 31, 2023	By:	/s/Jeff White
		Jeff White
		Chief Financial Officer
		(Principal Financial and Accounting Officer)

Exhibit 10.2

SPORTSMAN'S WAREHOUSE HOLDINGS, INC.

DIRECTORS' COMPENSATION POLICY

As Amended March 14, 2023, Effective June 7, 2023

Directors of Sportsman's Warehouse Holdings, Inc., a Delaware corporation (the "Company"), who are not employed by the Company or one of its subsidiaries ("non-employee directors") are entitled to the compensation set forth below for their service as a member of the Company's Board of Directors (the "Board"). The Board has the right to amend this policy from time to time.

Cash Compensation	
Annual Retainer	$ 85,000
Additional Chair Retainer	$130,000
Additional Lead Independent Director Retainer	$15,000
Additional Committee Chair Retainers:	
Audit Committee Chair	$30,000
Compensation Committee Chair	$25,000
Nominating and Governance Committee Chair	$25,000
Equity Compensation	
Annual Equity Award	$100,000
Annual Chair Equity Award	$115,000

Cash Compensation

Each non-employee director will be entitled to a cash retainer while serving on the Board in the amount set forth above (the "Annual Retainer"). A non-employee director who serves as the Chair of the Board will be entitled to an additional cash retainer while serving in that position in the amount set forth above (the "Additional Chair Retainer"). A non-employee director who serves as the Lead Independent Director will be entitled to an additional cash retainer while serving in that position in the amount set forth above (the "Additional Lead Independent Director Retainer"); provided that, unless otherwise provided by the Board, an Additional Lead Independent Director Retainer shall not be paid if a non-employee director is then serving as Chair of the Board. A non-employee director who serves as the Chair of the Audit Committee, the Compensation Committee, or the Nominating and Governance Committee of the Board will be entitled to an additional cash retainer while serving in that position in the applicable amount set forth above (an "Additional Committee Chair Retainer").

The amounts of the Annual Retainer, Additional Chair Retainer, Additional Lead Independent Director Retainer and Additional Committee Chair Retainers reflected above are expressed as annualized amounts. These retainers will be paid in quarterly installments, in advance, with an installment payable promptly following the start of each fiscal quarter; provided that an installment will be pro-rated, based on calendar days, if a non-employee director commences service (or commences service in the corresponding position, as the case may be) after the start of the particular fiscal quarter.

Equity Awards

On the date of each annual meeting of the Company's stockholders, each non-employee director in office immediately following such meeting will automatically be granted an award of restricted stock units (an "Annual RSU Award") determined by dividing (1) the Annual Equity Award grant value set forth above (or, if a non-employee director is then serving as Chair of the Board, the Annual Chair Equity Award grant value set forth above in the case of the award to the non-employee director then serving as Chair of the Board) by (2) the per-share closing price (in regular trading) of the Company's common stock on The Nasdaq Stock Market on the date of such annual meeting (or the most recent trading day on The Nasdaq Stock Market if such date is not a trading day), rounded down to the nearest whole unit. Each Annual RSU Award will vest in twelve (12) substantially equal installments, subject to the non-employee director's continued service as a director through each vesting date, with the first installment vesting one month following the date of grant and an additional installment vesting on each monthly anniversary of the date of grant thereafter for the next eleven (11) months; provided, however, that the outstanding and unvested portion of the Annual RSU Award will vest in full immediately prior to the first to occur of (a) the first annual meeting of the Company's stockholders for the year following the year of grant of the award should such annual meeting occur before the first annual anniversary of the date of grant or (b) a Change in Control of the Company (as Change in Control is defined in the form of award agreement approved by the Board to evidence such award). In the event that more than one annual meeting of the Company's stockholders occurs during a given fiscal year, automatic Annual RSU Awards will be made only in connection with the first such meeting to occur in that year. If any Annual Meeting is adjourned to a later date, the grant and vesting will be triggered as of the date the Annual Meeting was initially scheduled.

For each new non-employee director appointed or elected to the Board other than on the date of an annual meeting of the Company's stockholders, the Board has discretion to provide that the new non-employee director will be entitled to a pro-rata portion of the Annual RSU Award on such terms and conditions that the Board shall, in its discretion, establish at the time of any such new non-employee director's initial appointment or election to the Board

Each Annual RSU Award will be made under and subject to the terms and conditions of the Company's 2019 Performance Incentive Plan or any successor equity compensation plan approved by the Company's stockholders and in effect at the time of grant (the "2019 Plan"), and will be evidenced by, and subject to the terms and conditions of, an award agreement in the form approved by the Board to evidence such type of grant pursuant to this policy (the "Form of Award Agreement"). To the extent then vested, restricted stock units will generally be paid in an equal number of shares of the Company's common stock in accordance with the applicable Form of Award Agreement. Restricted stock unit awards granted under the 2019 Plan are generally forfeited as to the unvested portion of the award upon the non-employee director's termination of service as a director for any reason.

Non-employee directors are entitled to receive dividend equivalents with respect to outstanding and unpaid restricted stock units granted pursuant to this policy. Dividend equivalents, if any, are paid in the form of a credit of additional restricted stock units under the 2019 Plan and are subject to the same vesting, payment and other provisions as the underlying restricted stock units.

The foregoing general provisions are, in the case of a particular award, subject to the terms and conditions of the applicable Form of Award Agreement.

Expense Reimbursement

All non-employee directors are entitled to reimbursement from the Company for their reasonable travel (including airfare and ground transportation), lodging and meal expenses incident to meetings of the Board or committees thereof or in connection with other Board related business. The Company will make reimbursement to a non-employee director promptly following submission by the non-employee director of reasonable written substantiation for the expenses (and, as required for purposes of Internal Revenue Code Section 409A, in all events not later than the end of the calendar year following the calendar year in which the related expense was incurred).

Exhibit 31.1

**CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Joseph P. Schneider, 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 31, 2023

/s/ Joseph P. Schneider

Joseph P. Schneider
Interim President and Interim Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER
PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jeff White, 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 31, 2023

/s/ Jeff White

Jeff White
Chief Financial Officer and Secretary
(Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATIONS
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, 2023, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), Joseph P. Schneider, Interim President and Interim Chief Executive Officer of the Registrant, and Jeff White, Chief Financial Officer and Secretary of the Registrant, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 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 31, 2023

/s/ Joseph P. Schneider

Joseph P. Schneider
Interim President and Interim Chief Executive Officer
(Principal Executive Officer)

Date: May 31, 2023

/s/ Jeff White

Jeff White
Chief Financial Officer and Secretary
(Principal Financial and Accounting Officer)

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