

---

---

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM 8-K**

CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): June 9, 2015

---

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

(Exact Name of Registrant as Specified in Its Charter)

---

**DELAWARE**

(State or Other Jurisdiction of Incorporation)

---

**001-36401**

(Commission File Number)

---

**39-1975614**

(I.R.S. Employer Identification No.)

---

**7035 South High Tech Drive,  
Midvale, Utah**

(Address of Principal Executive Offices)

---

**84047**

(Zip Code)

---

**(801) 566-6681**

(Registrant's Telephone Number, Including Area Code)

---

**(Not Applicable)**

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 240.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

## Item 7.01 Regulation FD Disclosure

John Schaefer, Chief Executive Officer of Sportsman's Warehouse Holdings, Inc. (the "Company"), will be presenting at the William Blair Growth Stock Conference on Tuesday, June 9, 2015. A copy of the presentation materials to be used by Mr. Schaefer is attached as Exhibit 99.1 to this Current Report on Form 8-K.

The information furnished in this Current Report on Form 8-K and the related information in the exhibit attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section and shall not be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing, except as shall be expressly set forth by specific reference in any such filing.

## Non-GAAP Financial Measures

In evaluating the Company's business, the Company's management uses Adjusted EBITDA, Adjusted EBITDA Margin and Free Cash Flow, Adjusted Operating Income, Adjusted Net Income and Adjusted Earnings Per Share as supplemental measures of the Company's operating performance. The Company defines Adjusted EBITDA as net income plus interest expense, income tax expense (benefit), depreciation and amortization, non-cash stock based compensation expense, pre-opening expenses, bankruptcy-related expenses (benefit), litigation accrual, expenses related to the acquisition of ten stores in fiscal year 2013, start-up costs for our e-commerce platform and expenses related to bonuses paid as a result of the successful completion of our Initial Public Offering ("IPO"). Adjusted EBITDA Margin means, for any period, the Adjusted EBITDA for that period divided by the net sales for that period. Free Cash Flow is calculated as Adjusted EBITDA less capital expenditures. The Company defines Adjusted Operating Income as income from operations plus expenses related to bonuses paid as a result of the successful completion of the Company's IPO, and Adjusted Net Income is defined as net income plus expenses related to bonuses paid as a result of the successful completion of the Company's IPO, less any tax benefits related to such bonuses. In addition, Adjusted Earnings Per Share reflects an adjusted weighted average share count, which assumes the Company's IPO was effective as of February 3, 2013.

The Company considers Adjusted EBITDA, Adjusted EBITDA Margin, Free Cash Flow, Adjusted Operating Income, Adjusted Net Income and Adjusted Earnings Per Share as important supplemental measures of the Company's operating performance and believes they are frequently used by analysts, investors and other interested parties in the evaluation of companies in the Company's industry. Other companies in the Company's industry, however, may calculate these measures differently than the Company. Management also uses Adjusted EBITDA, Adjusted EBITDA Margin, Free Cash Flow, Adjusted Operating Income, Adjusted Net Income and Adjusted Earnings Per Share as additional measurement tools for purposes of business decision-making, including evaluating store performance, developing budgets and managing expenditures.

Adjusted EBITDA, Adjusted EBITDA Margin, Free Cash Flow, Adjusted Operating Income, Adjusted Net Income and Adjusted Earnings Per Share are not defined under accounting principles generally accepted in the United States ("GAAP") and are not a measures of operating income, operating performance or liquidity presented in accordance with GAAP. These measures have limitations as analytical tools, and when assessing the Company's operating performance, you should not consider Adjusted EBITDA, Adjusted EBITDA Margin, Free Cash Flow, Adjusted Operating Income, Adjusted Net Income or Adjusted Earnings Per Share in isolation or as substitutes for measures of the Company's financial performance prepared in accordance with GAAP.

## Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

99.1 Investor Presentation of Sportsman's Warehouse Holdings, Inc.

---

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SPORTSMAN'S WAREHOUSE HOLDINGS, INC.

Date: June 9, 2015

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



# William Blair Growth Stock Conference

June 9, 2015





# Forward Looking Statements & Non-GAAP Measures

In this presentation, we will make statements about our future plans and prospects, including statements about our financial position, financial targets, business strategy and store opening pipeline, that constitute forward-looking statements.

Actual results may differ materially from those indicated by these forward looking statements due to risks relating to our retail-based business model, general economic conditions and consumer spending, our concentration of stores in the Western United States, competition in the outdoor activities and sporting goods market, changes in consumer demands, our expansion into new markets and planned growth, current and future government regulations, risks related to our continued retention of our key management, our distribution center, quality or safety concerns about our merchandise, events that may affect our vendors, trade restrictions, and other factors that are set forth in our filings with the Securities and Exchange Commission (the "SEC"), including under the caption "Risk Factors" in our Annual Report on Form 10-K for the quarter ended January 31, 2015, which was filed with the SEC on April 2, 2015 and our other public filings made with the SEC and available at [www.sec.gov](http://www.sec.gov). These factors should be considered carefully and undue reliance should not be placed on these forward-looking statements. We cannot ensure that actual results will not be materially different from those expressed or implied by these forward-looking statements.

In addition, all forward-looking statements represent our estimates only as of today and should not be relied upon as representing our estimates as of any subsequent date. While we may elect to update forward-looking statements at some point in the future, we specifically disclaim any obligation to do so, even if our estimates change.

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

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



Our mission is to provide **outdoor enthusiasts, casual users, and first-time participants** with quality brand-name hunting, fishing, camping and shooting merchandise within a convenient shopping environment, serviced by **passionate, knowledgeable associates**, to create a memorable outdoor experience.

# Sportsman's Warehouse Overview



- High-growth outdoor sporting goods retailer
- One-stop shopping experience with the right gear at the right time
- Tailored merchandise and in-store events to meet local conditions and demand
- Passionate associates, highly knowledgeable about local market conditions
- Largest outdoor specialty store base in the Western US
- Adaptable store model suited to serve small and large markets
- Near double-digit four-wall adjusted EBITDA margins for fiscal 2014 in stores that had been open for more than 12 months
- 300+ store opportunity



## Key Facts

<b>Year Founded</b>	1986	<b><u>FY 2014:</u></b>	
<b>Current Stores<sup>(1)</sup></b>	58	<b>Net Sales</b>	\$660.0 million
<b>States</b>	18	<b>Gross Profit</b>	\$215.2 million
<b>Average Store Size (sq. ft.)</b>	46,000	<b>Adjusted EBITDA<sup>(3)</sup></b>	\$66.3 million
<b>Avg. 4-Wall Adj. EBITDA Margin in Year 1<sup>(2)</sup></b>	13.8%	<b>Adjusted EBITDA Margin<sup>(3)</sup></b>	10.0%

(1) As of June 1, 2015.

(2) Represents performance of 15 stores opened since 2010 that have been open for a full twelve months. Four-wall Adjusted EBITDA means, for any period, a particular store's Adjusted EBITDA, excluding any allocations of corporate selling, general and administrative expenses allocated to that store. Four-wall Adjusted EBITDA margin means, for any period, a store's four-wall Adjusted EBITDA divided by that store's net sales.

(3) Adjusted EBITDA is calculated as net income plus interest expense, income tax expense, depreciation and amortization, stock-based compensation expense, pre-opening expenses, expenses related to bonuses paid as a result of the successful completion of our initial public offering and litigation accrual. See Appendix for a reconciliation of Adjusted EBITDA to Net Income. Adjusted EBITDA margin means, for any period, Adjusted EBITDA divided by net sales.

# Large, Growing and Highly-Fragmented Outdoor Sporting Goods Industry

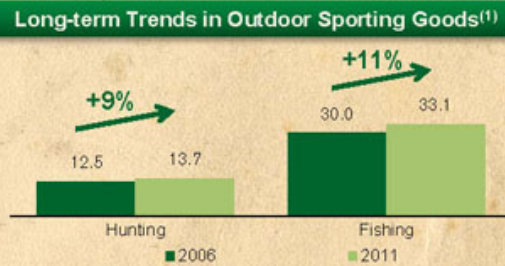
- Industry size estimated to be in excess of **\$50 billion**
- Sportsman's Warehouse is one of a select number of pure play outdoor specialty retailers
- Mom & Pop retailers estimated to represent 65% of industry
- Participation rates are rising across many key demographics, especially among women
- User-driven industry

## Market Share – Retail Stores

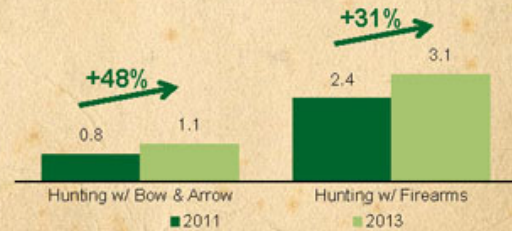


## Increasing Participation

(millions of participants)



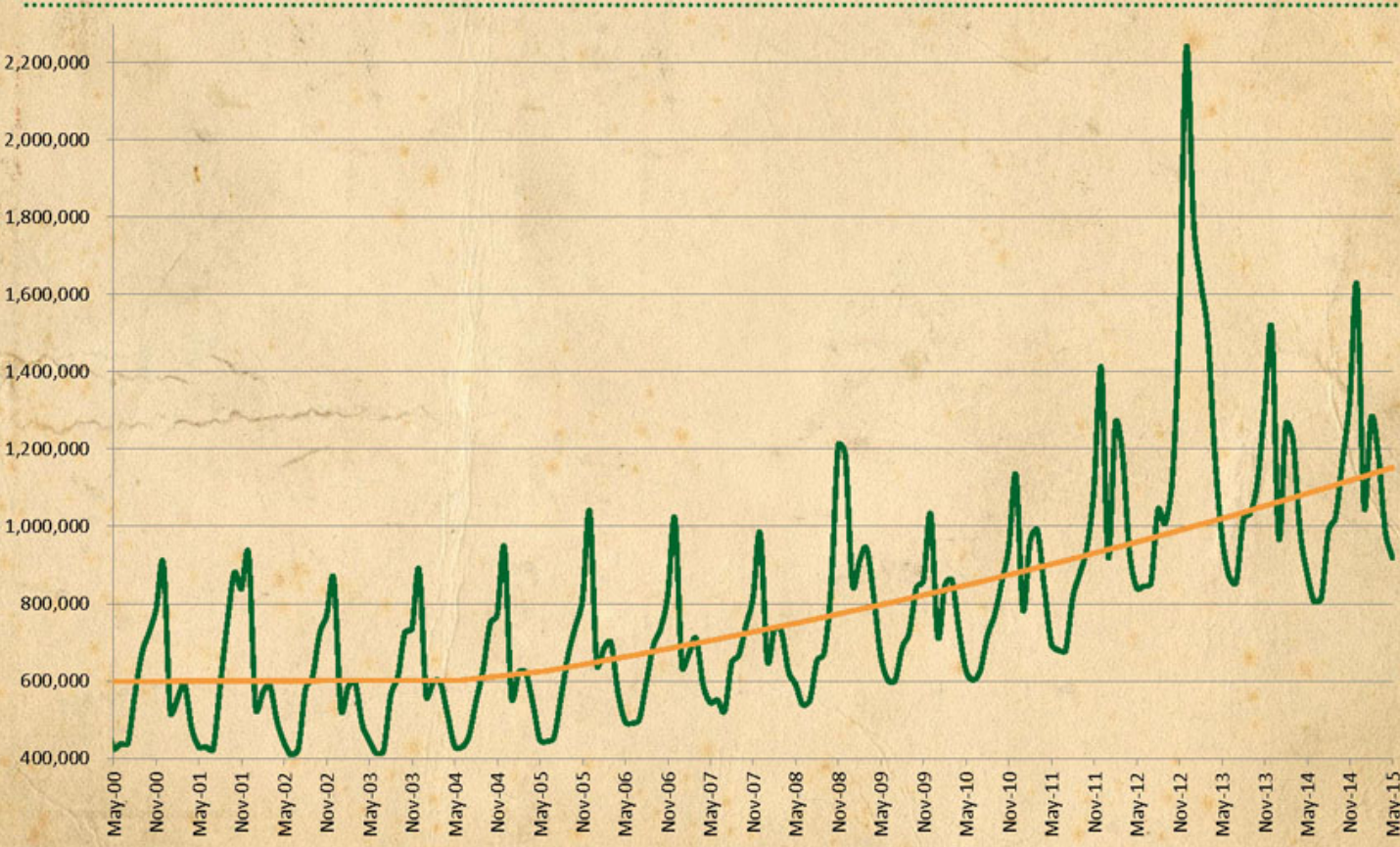
### Recent Tailwind from Female Participation<sup>(2)</sup>



(1) U.S. Fish and Wildlife Service, 2011 and 2006 National Surveys.  
 (2) National Sporting Goods Association, Sports Participation in the United States, 2014 Edition.



# NSSF Adjusted NICS



Source: National Shooting Sports Foundation

Actual Checks Average Monthly CAGR (2005 - 2014) 6.4%

# Unique Customer Value Proposition



Mom & Pop

Area of Concentration	West	All	South	East	Midwest	All
US Stores <sup>(1)</sup>	64	72	83	161	11	NA
Western Penetration of Stores <sup>(1)</sup>	57	19	11	2	None	NA
Depth of Merchandise Selection	One-stop ~70,000 SKUs	One-stop ~160,000 SKUs	One-stop (NA)	One-stop (NA)	One-stop (NA)	Narrow
Customer Draw	Convenience / Destination	Destination / Entertainment	Destination / Entertainment	Destination / Convenience	Destination / Convenience	Convenience
Box Size (sq. ft.)	30k-65k	40k-246k	20k-300k	21k-123k	40k-63k	NA
Cost to Open New Units	Lower	Higher	Higher	NA	Higher	NA
Branded Product Priority / Focus	Higher	Lower	Lower	NA	Higher	Similar
Pricing Strategy	Everyday Low Prices	Competitive	Competitive	Competitive	Competitive	Varies

(1) Includes announced stores

Source: Company SEC filings and websites. SPWH store estimated count as of the end of fiscal year 2015. The rest of the data is existing/announced stores as of May 2, 2015.

# 300+ Store Opportunity with Attractive Store Economics



## Low Initial Investment per Store



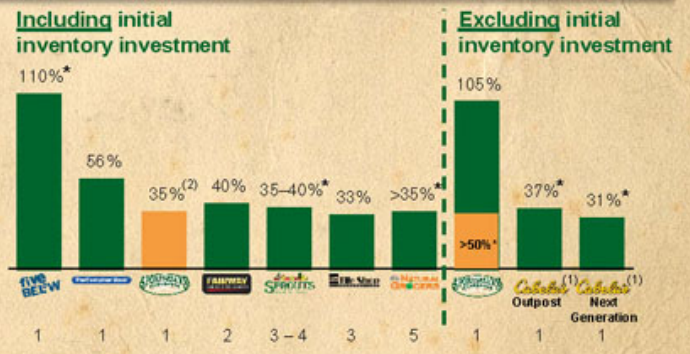
## New Store Economics

Net Investment	\$2.0 million	
Initial Inventory	\$2.4 million	
	<u>Excluding Inventory</u>	<u>Including Inventory</u>
Year 1 ROIC <sup>(2)</sup>	104.8%	34.7%
Avg. Pre-Tax Payback <sup>(2)</sup>	~ 1 year	~ 3 years

## Average New Store Payback Period (years)<sup>(3)</sup>



## Superior Store-Level ROIC<sup>(4)</sup> Over Time<sup>(3)</sup>



(1) Cabela's does not report ROIC inclusive of initial inventory investment or the average amount of its initial inventory investment.  
 (2) Represents performance of 15 stores opened since 2010 that have been open for a full twelve months.  
 (3) Sportsman's Warehouse data as of May 2015. Peer data is as of May 2014.  
 (4) Defined as average pre-tax actual cash-on-cash returns for new stores for the periods indicated. Figures are based on publicly available data.  
 (\*) represents a target ROIC.

# Investment Highlights



---

**1** Differentiated Outdoor Specialty Retail Experience

**2** Comprehensive, Locally Relevant Product Assortment and Merchandising Strategy

**3** Disciplined and Adaptable Real Estate Strategy

**4** Significant White Space Opportunity

**5** Passionate and Experienced Management Team with Proven Track Record

## Differentiated Shopping Experience and Engaging and Highly Knowledgeable Sales Associates

- Conveniently Located Stores with Easy-In, Easy-Out Access
- Locally Relevant Features
- Store Layout is Easy to Navigate with Wide Aisles and Clear Signage
- Test Latest Equipment
- Highly Trained and Passionate Employees with Experienced and "Localized" Knowledge





## Deep Understanding of Market Needs

---

### Local Merchandising is Key

- What activities are involved?
- Hunting or fishing or camping or a combination?
- Big game or small game hunting?
- Long range or short range?
- Open terrain or timber?
- Mountains or flat land?
- Rifle or archery or black powder?
- When does the season start and end?
- Public or private land?
- What fish am I targeting?
- Salt water or fresh water?
- Lakes or rivers?
- Large river or small tributary
- Boat or shore?
- Fly fishing or bait casting or spin fishing?
- Family camping, car camping or backpacking?
- Long-term or short-term?



## Local Marketing Focus

### Effective "Localized" Advertising

#### Regional Inserts



#### Billboards



- Marketing budget is ~1% of sales

### Grass Roots Campaigns



### In-Store and Off-Site Events



Ladies Night



- Hold ~3,000 events annually

### Digital / E-Commerce Strategy



- ~13 million total visitors to website during FY 2014
- Numerous product videos and how-to videos available for public viewing



# Disciplined, Analytics-Driven Real Estate Strategy Maximizes Coverage and Returns

## Rigorous Site Selection Process

- Analyze market characteristics and economic viability with local real estate firms and internal committee
  - Density of hunting / fishing license holders
  - Abundance of outdoor recreation areas
- Flexible store model is adaptable to variety of real estate venues
  - Stores may be free-standing or located in power, neighborhood or lifestyle centers
- Low initial capital investment and “no frills” concept provide further flexibility
  - Convenient, easily accessible locations designed for supply replenishment
  - Ability to open multiple stores in local areas within major MSAs
- All stores are profitable, including average near double-digit 4-wall Adjusted EBITDA margins<sup>(1)</sup> for the trailing twelve months ended May 2, 2015 in all stores that had been open for more than 12 months.
- Target an ROIC<sup>(2)</sup> of 50% excluding initial inventory costs (or 20% including initial inventory cost) for the first full 12 months of operation for a new store. For the 15 new stores opened since 2010 and that had been open for more than twelve months (excluding the 10 acquired stores), the ROIC was ROIC of 104.8% excluding initial inventory cost (and 34.7% including initial inventory cost) during the first twelve full months of operations.

(1) Adjusted EBITDA is calculated as net income plus interest expense, income tax expense (benefit), depreciation and amortization, bankruptcy-related expenses (benefit), expenses related to the acquisition of ten stores in fiscal year 2013, start-up costs for our e-commerce platform, non-cash stock based compensation expense, pre-opening expenses and expenses related to bonuses paid as a result of the successful completion of our IPO. See Appendix for a reconciliation of Adjusted EBITDA to net income. Adjusted EBITDA margin means, for any period, Adjusted EBITDA divided by net sales.

(2) ROIC (“return on invested capital”) means a store’s four-wall Adjusted EBITDA for a given period divided by our initial cash investment in the store. We calculate ROIC both including and excluding the initial inventory cost.

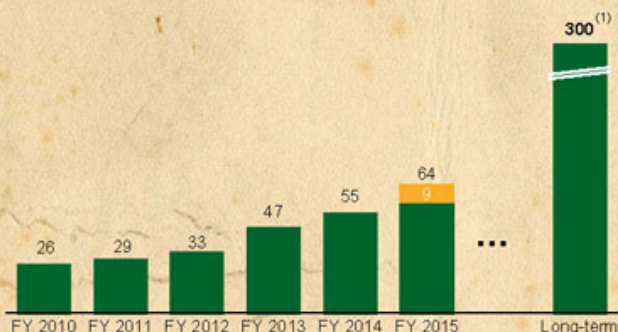




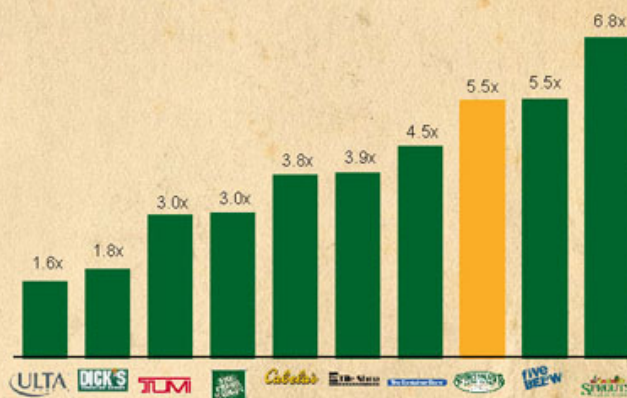
# Significant White Space Opportunity

## Significant White Space Opportunity

Number of Sportsman's Warehouse stores



## Relative White Space<sup>(1)</sup>



## New Store Pipeline

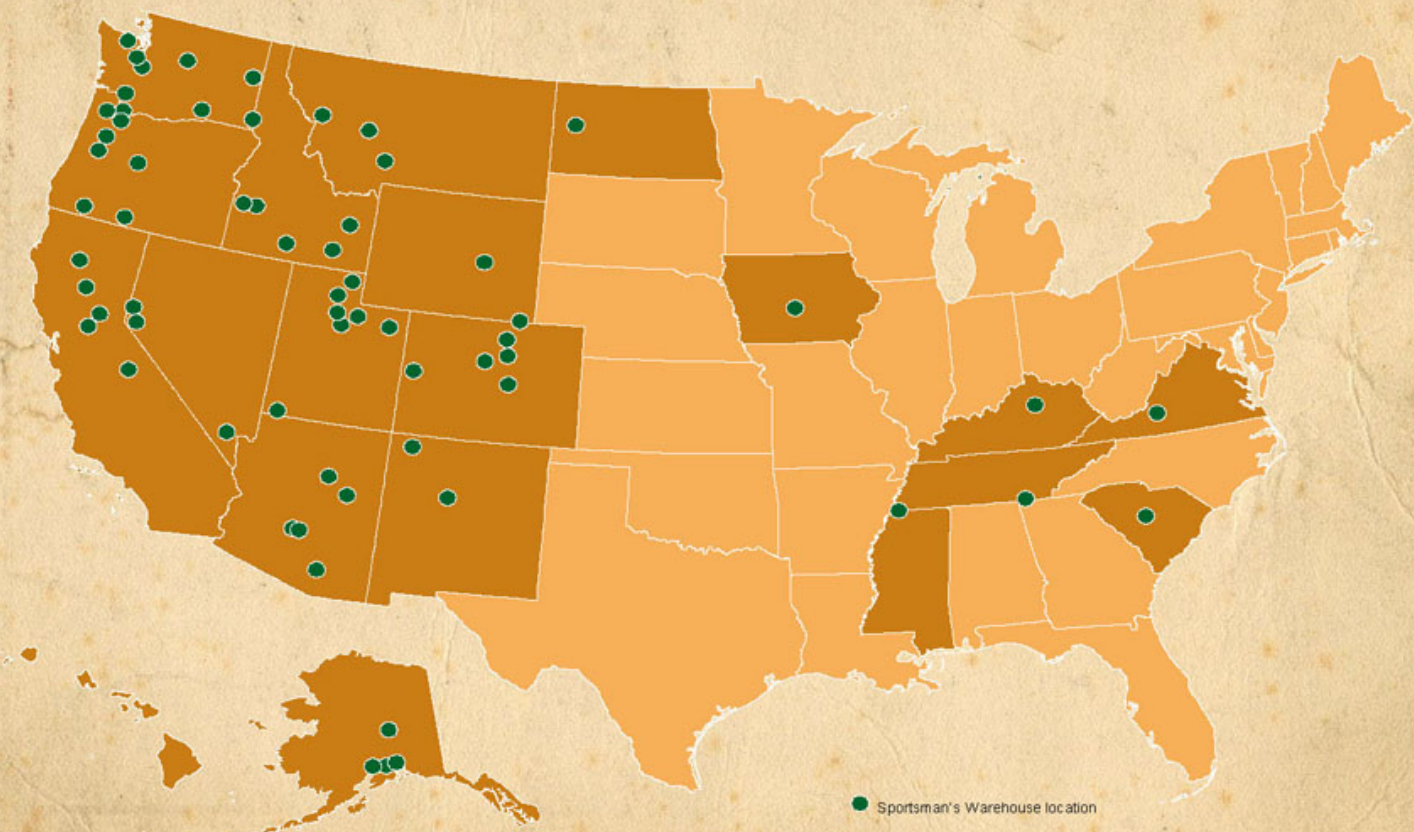
- Nine committed openings in FY 2015 on top of eight new stores in FY 2014
- Plan to grow store base at a rate of greater than 10% annually for the next several years
- Existing infrastructure, including IT, loss prevention and employee training, is scalable to support our growth up to an estimated 100 stores without significant additional capital investment

Source: Company SEC filings, investor presentations, websites and earnings call transcripts, Buxton research.

(1) Defined as total store base potential as a multiple of current store count. Store counts/white space estimates as of January 5, 2015.

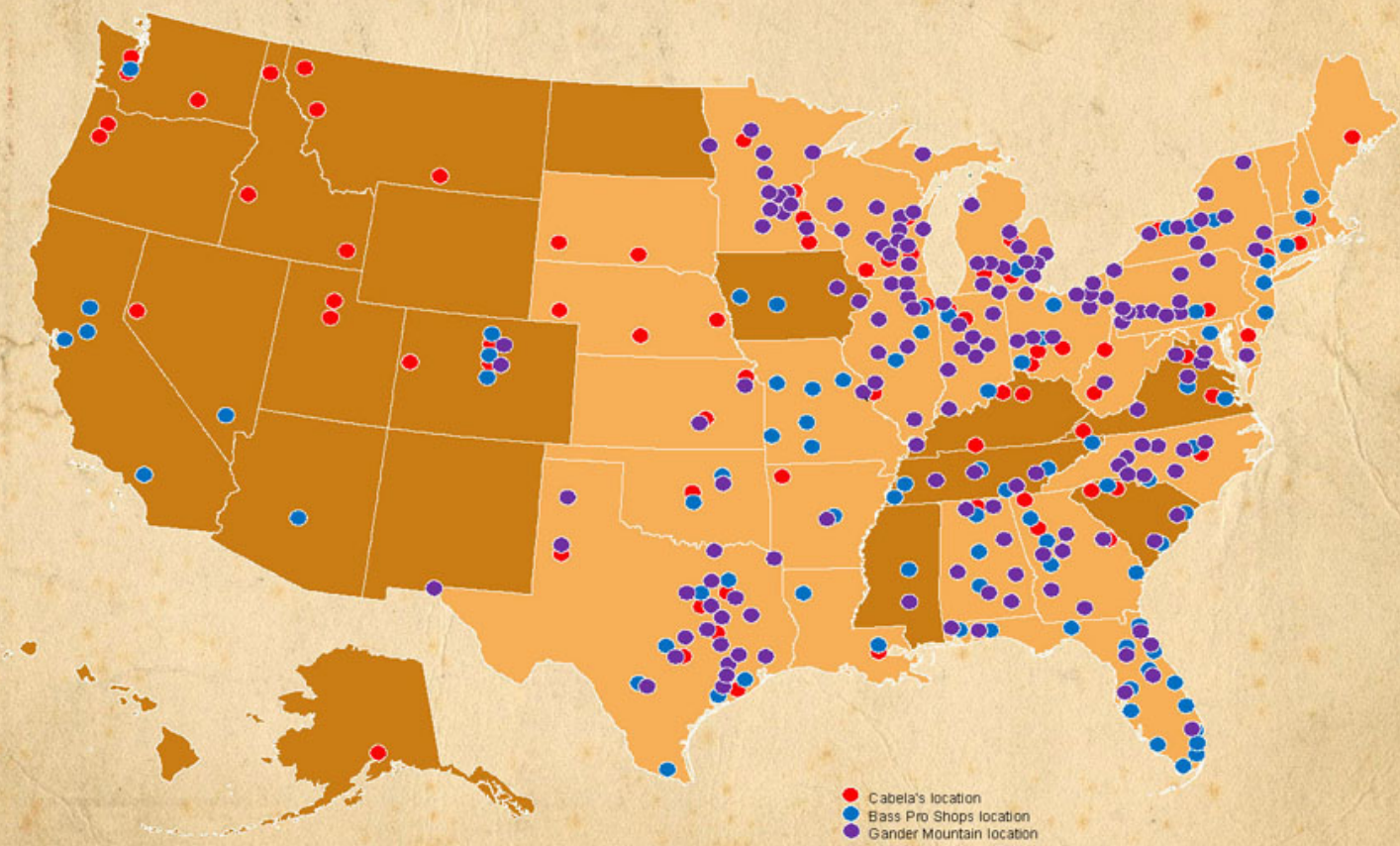


# Store Locations – Sportsman's Warehouse





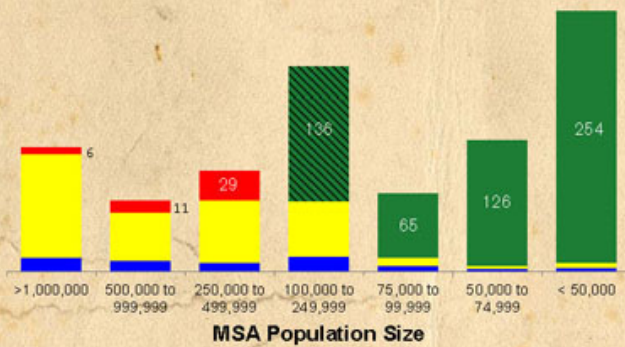
# Store Locations – Certain Competitors





## Available Markets

### Total U.S.



### Profitably Serve Small and Large MSAs with Attractive Economics

#### Store Distribution

MSA Population Size	Current Sportsman's Warehouse Stores	TTM 4-Wall EBITDA % <sup>(2)</sup>
Less than 100k	13	15.0%
100k - 250k	16	15.8%
250k - 500k	9	14.5%
500k - 1 million	11	16.1%
1 million or higher	15	14.4%
<b>Total</b>	<b>64<sup>(1)</sup></b>	<b>15.1%</b>

#### Map Legend

	Color
Sportsman's Warehouse	
Competitors	
White Space (MSA >= 250,000)	
White Space (MSA 100,000 to 249,999)	
White Space (MSA < 100,000)	

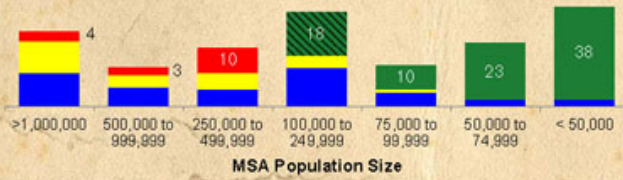
(1) Total store estimated count as of the end of fiscal year 2015.

(2) Defined as 4-wall EBITDA divided by net sales for the trailing twelve fiscal months for stores that have been open greater than 12 months as of May 2, 2015.

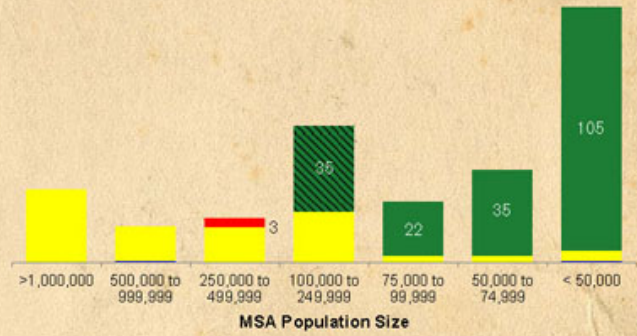


# Available Markets

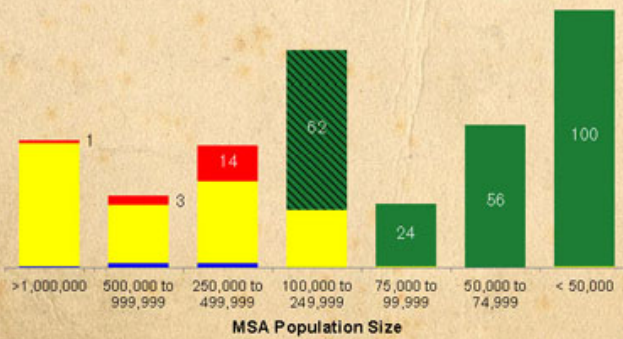
## Region: West



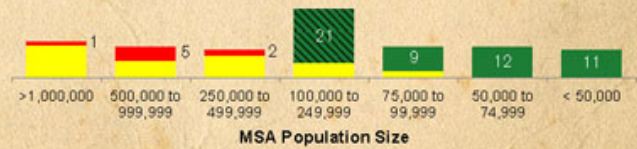
## Region: Midwest



## Region: South



## Region: Northeast





# Passionate and Experienced Management Team with Proven Track Record

Name	Position	Years at Sportsman's Warehouse	Background
<b>John Schaefer</b>	Chief Executive Officer	6	<ul style="list-style-type: none"> <li>Directed successful consumer and E-Commerce retail companies including Eastbay, Cornerstone Brands and Team Express</li> <li>Received a BBA in Business Administration from the University of Wisconsin, former CPA</li> </ul>
<b>Kevan Talbot</b>	Chief Financial Officer	13	<ul style="list-style-type: none"> <li>Served as the Controller and Vice President of Finance for Sportsman's prior to CFO</li> <li>Began career in audit and business advisory at Arthur Andersen LLP and is a CPA</li> <li>Holds a Bachelor of Science degree and a Master of Accountancy degree from Brigham Young University</li> </ul>
<b>Jeremy Sage</b>	Senior Vice President, Stores	14	<ul style="list-style-type: none"> <li>Joined Sportsman's Warehouse as a Store Manager and also worked as a District Manager before assuming the Senior Vice President role</li> </ul>
<b>Larry Knight</b>	Senior Vice President, Merchandising	18	<ul style="list-style-type: none"> <li>Has worked in the sporting goods industry for over 24 years, including various positions at Sportsman's Warehouse before assuming the Senior Vice President role</li> <li>Holds a Bachelor of Science degree in Business Administration from Southern Utah University</li> </ul>
<b>Karen Seaman</b>	Chief Marketing Officer	5	<ul style="list-style-type: none"> <li>Has worked in the retail field for more than 23 years</li> <li>Holds a bachelor's degree from Western Michigan University and an MBA from University of Dayton</li> </ul>
<b>Mike Van Orden</b>	Chief Technology Officer	14	<ul style="list-style-type: none"> <li>Has worked in information technology for over 25 years</li> <li>Holds a Bachelor of Science degree in Business Management from the University of Utah</li> </ul>
<b>Matthew French</b>	Vice President, Compliance	18	<ul style="list-style-type: none"> <li>Has worked in the sporting goods industry for over 20 years, including various positions at Sportsman's Warehouse involving management of the hunting department</li> <li>Holds Bachelor of Science degree in Economics from Montana State University</li> </ul>
<b>Travis Mann</b>	Vice President, Field Merchandising	15	<ul style="list-style-type: none"> <li>Joined Sportsman's Warehouse as a Hunting Manager and also worked as a store manager</li> <li>Most recently served as District Manager before assuming Vice President role</li> </ul>
<b>Steve Coffey</b>	Vice President, Business Development	22	<ul style="list-style-type: none"> <li>Joined Sportsman's as a fishing department buyer and also worked as the Manager of the fishing department of the Midvale, Utah store before assuming the Vice President role</li> <li>Has worked in the merchandising and buying field for over 19 years</li> </ul>

## Financial Highlights

# Historical Financial Overview

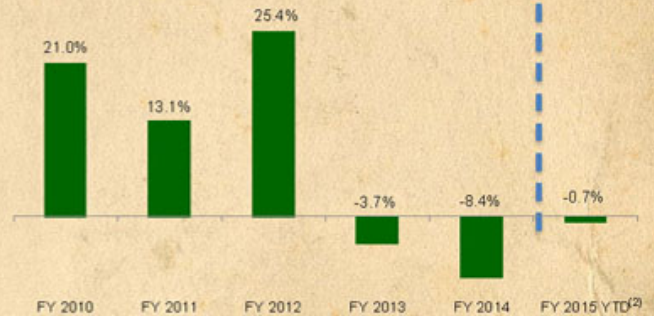
## Net Sales and Store Count

(Net sales are in in \$millions)



## Same Store Sales

(% increase over prior year)



## Gross Profit

(\$ in millions)



## Adjusted EBITDA<sup>(1)</sup>

(\$ in millions)



Note: FY 2012 reflects 53 weeks of operations.

(1) Net sales from a store are included in same store sales on the first day of the 13<sup>th</sup> full month following the store's opening or acquisition by us. We exclude net sales from e-commerce from our calculation of same store sales, and for fiscal years consisting of 53 weeks, we exclude net sales during the 53<sup>rd</sup> week from our calculation of same store sales. The figures shown represent growth over the corresponding period in the prior fiscal year.

(2) YTD indicates the 13 weeks ended May 2, 2015 or the 13 weeks ended May 3, 2014.

(3) Adjusted EBITDA is calculated as net income plus interest expense, income tax expense (benefit), depreciation and amortization, non-cash stock based compensation expense, pre-opening expenses, bankruptcy-related expenses (benefit), litigation accrual, expenses related to the acquisition of ten stores in fiscal year 2013, start-up costs for our e-commerce platform and expenses related to bonuses paid as a result of the successful completion of our IPO. See Appendix for a reconciliation of Adjusted EBITDA to Net Income. Adjusted EBITDA margin means, for any period, Adjusted EBITDA divided by net sales.



# Capitalization, Capital Expenditures and Free Cash Flow



## Capitalization

Q1 2015

(\$ in millions)	5/2/2015	xAdj. EBITDA <sup>(1)</sup>
ABL Working Capital Facility	52.3	0.8x
Term Loan, Net of Discount	157.7	2.5x
<b>Total Debt</b>	<b>\$210.0</b>	<b>3.3x</b>

## Capital Expenditures

(\$ in millions)



## Free Cash Flow<sup>(2)</sup>

(\$ in millions)



(1) Based on Adjusted EBITDA for the TTM ended 5/2/2015.

(2) Free Cash Flow calculated as Adjusted EBITDA less capital expenditures. See Appendix for a reconciliation of Free Cash Flow to Net Income.

(3) Includes \$4.5 million for fixed assets in connection with the acquisition of our ten previously operated stores in Montana, Oregon and Washington.

## Appendix: GAAP Reconciliations



# Reconciliation of Net Income to Adjusted EBITDA and Free Cash Flow

(\$ in thousands)	Fiscal Year Ended				
	January 29, 2011	January 28, 2012	February 2, 2013	February 1, 2014	January 31, 2015
<b>Net Income</b>	<b>\$5,244</b>	<b>\$33,694</b>	<b>\$28,074</b>	<b>\$21,750</b>	<b>\$13,784</b>
Plus:					
Interest expense	5,676	4,392	6,321	25,447	22,480
Income tax expense (benefit)	–	(11,467)	19,076	12,838	8,628
Depreciation and amortization	2,488	3,108	3,431	6,277	9,150
Stock-based compensation <sup>(1)</sup>	–	–	–	365	3,293
Pre-opening expenses <sup>(2)</sup>	322	774	1,441	1,653	2,717
Bankruptcy-related expenses (benefit) <sup>(3)</sup>	3,536	919	(263)	55	–
Acquisition expenses <sup>(4)</sup>	–	–	959	2,331	–
IPO bonus <sup>(5)</sup>	–	–	–	–	2,200
Litigation accrual <sup>(6)</sup>	–	–	–	–	4,000
E-commerce start-up costs	100	126	–	–	–
<b>Adjusted EBITDA</b>	<b>\$17,366</b>	<b>\$31,546</b>	<b>\$59,039</b>	<b>\$70,716</b>	<b>\$66,252</b>
(–) Capital expenditures		6,651	6,856	24,916	30,167
<b>Free Cash Flow</b>		<b>\$24,895</b>	<b>\$52,183</b>	<b>\$45,800</b>	<b>\$36,085</b>

(1) Stock-based compensation expense is a non-cash expense related to the issuance of restricted stock units by the Company in fiscal years 2013 and 2014.

(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. For the periods presented, these pre-opening costs were not concentrated in any quarter.

(3) We incurred certain costs related to our restructuring and emergence from Chapter 11 bankruptcy and included a liability as part of the reorganization value at August 14, 2009, the date of emergence from bankruptcy. Bankruptcy-related expenses are those amounts that are greater than the initial estimated restructuring costs, whereas bankruptcy-related benefits are those amounts that are less than the initial estimated costs. They are expensed as incurred.

(4) Acquisition expenses for fiscal year 2013 relate to the costs associated with the acquisition of our ten previously operated stores in Montana, Oregon and Washington. Acquisition expenses for fiscal year 2012 relate to legal and consulting expenses related to potential merger and acquisition activity.

(5) As a result of the completion of our initial public offering and pursuant to the terms of the employment agreements with our executive officers, we paid \$2.2 million in bonuses to our executive officers.

(6) On March 9, 2015, a jury awarded \$11.9 million against a group of defendants. In conjunction with the award, we recorded a \$4.0 million accrual related to this case.

# GAAP and Non-GAAP Measures (Unaudited)



(\$ in thousands)	For the Thirteen Weeks Ended	
	May 2, 2015	May 3, 2014
Income (loss) from operations	\$ 1,248	\$ (221)
IPO bonus (1)	-	2,200
<b>Adjusted income from operations</b>	<b>\$ 1,248</b>	<b>\$ 1,979</b>
Numerator:		
Net loss	\$ (1,360)	\$ (3,368)
IPO bonus (1)	-	2,200
Less tax benefit related to IPO bonus	-	(847)
<b>Adjusted net loss</b>	<b>\$ (1,360)</b>	<b>\$ (2,015)</b>
Denominator:		
Diluted weighted average shares outstanding	41,851	34,441
Initial public offering shares issuance (2)	-	7,027
<b>Adjusted diluted weighted average shares outstanding</b>	<b>\$ 41,851</b>	<b>\$ 41,468</b>
Reconciliation of earnings per share:		
Dilutive earnings per share	\$ (0.03)	\$ (0.10)
Impact of adjustments to numerator and denominator	-	0.05
<b>Adjusted earnings per share</b>	<b>\$ (0.03)</b>	<b>\$ (0.05)</b>
Net loss	\$ (1,360)	\$ (3,368)
Interest expense	3,460	5,258
Income tax benefit	(852)	(2,111)
Depreciation and amortization	2,622	1,852
Stock-based compensation expense (3)	597	1,734
Pre-opening expenses (4)	927	1,225
IPO bonus (1)	-	2,200
<b>Adjusted EBITDA</b>	<b>\$ 5,394</b>	<b>\$ 6,790</b>

# GAAP and Non-GAAP Measures (Unaudited)

## Key Notes and Assumptions

---



- (1) As a result of the completion of our initial public offering and pursuant to the terms of the employment agreements with our executive officers, we paid \$2.2 million in bonuses to our executive officers.
- (2) Assumes our IPO was effective as of February 2, 2014, the first day of our fiscal year 2014.
- (3) Stock-based compensation expense represents non-cash expenses related to equity instruments granted to employees under our 2013 Performance Incentive Plan.
- (4) 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.