retailstat FINANCIAL
PUBLISHED: JUNE 9, 2026

Academy SPORTS+OUTDOORS

CREDIT RATING: B1

ARMS PAYMENT SCORE: 909

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SOLID QUARTER, EXPANSION CONTINUES

ANALYST HIGHLIGHTS

- 1Q26 sales up 6.7%; comps up 2.9% (vs. -3.7% in 1Q25)
- EBITDA rose 9%; margin up 20 bps to 8.3%
- Two new stores opened in 1Q26; 324 total locations across 21 states
- 20 to 25 new stores planned for FY26
- Raised low end of FY26 guidance; now targets 3% to 5% sales growth and flat to up 2% comps

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OPERATING RESULTS

Academy Sports + Outdoors (ASO) reported 1Q26 net sales up 6.7% to $1.44 billion, driven by new store contribution combined with a 2.9% comparable sales increase (vs. -3.7% in 1Q25), with management citing gains in both traffic and average ticket. Margins were mixed, as 80 bps of gross margin contraction was largely offset by 70 bps of SG&A leverage. Ultimately, EBITDA climbed 9%, with margin up 20 bps to 8.3%.

ASO opened two new stores during 1Q26, in Ohio and Oklahoma, bringing its total to 324 locations across 21 states. The Company plans to open three stores in 2Q26 and 15 to 20 in the second half of the year, maintaining its full-year annual target of 20 to 25 new openings. Total inventory increased 6.1% YOY to $1.65 billion, reflecting the expanded store base; on a per-store basis, inventory was down 6.8% in units and 0.8% in dollars. Cash was $338 million, long-term debt was essentially unchanged at $483 million and adjusted free cash flow totaled $121.6 million (vs. $106 million last year). While management raised the low end of its FY26 guidance following the strong start to the year, it remained cautious on the consumer, expecting inflationary pressures to continue weighing on spending through the remainder of the year; the Company now targets net sales of $6.23 billion to $6.36 billion and comparable sales of flat to up 2% (details below).

FINANCIAL SNAPSHOT
(U.S. Dollar In Millions)

	3 Months Ended		
	05/02/26	**05/03/25**	% Change
Sales	$ 1,442.0	$ 1,351.4	6.7%
Store Count	324	303	6.9%
Comps	2.9%	(3.7%)	
EBITDA (1)	$ 119.7	$ 109.8	9.1%
EBITDA Margin	8.3%	8.1%	0.2%

Cash	$ 337.8	$ 285.1	18.5%
Total Debt	$ 483.3	$ 485.2	-0.4%
Net Debt (Cash)	$ 145.5	$ 200.1	-27.3%

(1) Company-provided EBITDA

MANAGEMENT COMMENTS

CEO Steve Lawrence said, “We were pleased with the continued improvement in our results in Q1, with total sales up 6.7%, driven by increases in both traffic and average ticket. Based on our Q1 performance, we are raising the low end of our full-year guidance. While we expect inflationary pressures to continue impacting consumer spending for the remainder of the year, our goal is to build on the momentum in our business. We plan to accomplish this by methodically executing against our long-range strategies as we continue to offer customers compelling assortments at outstanding values.”

STORE FOOTPRINT UPDATE

Time Frame	Total stores open at beginning of the period	Number of stores opened during the period	Number of stores closed during the period	Total stores open at end of period
1st Quarter 2025	298	5	—	303
FY 2025	298	24	—	322
1st Quarter 2026	322	2	—	324

Time Frame	Total gross square feet open at beginning of the period (1)	Gross square feet for stores opened during the period (1)	Gross square feet for stores closed during the period	Total gross square feet at the end of the period (1)
1st Quarter 2025	20,604	275		20,879
FY 2025	20,604	1,321	—	21,925
1st Quarter 2026	21,925	112	—	22,037

(1) Figures in thousands

FY26 OUTLOOK

Academy raised the low end of its FY26 guidance following 1Q26 results, reflecting various factors both internal and external, such as the expected benefits of the Company's growth initiatives, current consumer demand, the competitive environment and potential impacts from inflation and other economic risks.

(In millions, except per share amounts)	Original Fiscal 2026 Guidance Low end	Original Fiscal 2026 Guidance High end	Updated Fiscal 2026 Guidance Low end	Updated Fiscal 2026 Guidance High end	2025 Actuals	change (at midpoint) vs. 2025
Net sales	$6,175	$6,355	$6,230	$6,355	$6,053	4.0 %
Sales Growth	2.0 %	5.0 %	3.0 %	5.0 %	2.0 %	100.0 %
Comparable sales [1]	(1.0)%	2.0 %	— %	2.0 %	(1.5)%	166.7 %
Gross margin rate	34.5 %	35.0 %	34.5 %	35.0 %	34.8 %	— %
GAAP net income	$380	$415	$390	$415	$377	6.8 %
Adjusted net income [2]	$410	$445	$420	$445	$393	10.1 %
GAAP earnings per common share, diluted	$5.65	$6.15	$5.95	$6.35	$5.54	11.0 %
Adjusted earnings per common share, diluted [2]	$6.10	$6.60	$6.40	$6.80	$5.78	14.2 %
Diluted weighted average common shares	67	67	66	66	~68	(3.0)%
Capital Expenditures	$200	$240	$200	$240	$213	3.3 %
Adjusted free cash flow [2],[3]	$250	$300	$250	$300	$263	4.6 %

EVP and CFO Carl Ford commented, “The first quarter got off to a good start, and we delivered a 6.7% increase in sales, a 14.2% increase in free cash flow, a 14.3% increase in net income, and a 17.6% increase in GAAP EPS. We remain prudent about the macroenvironment and the updated fiscal 2026 guidance range reflects our belief that the consumer will remain under pressure for the duration of 2026. We're confident that our strategies will allow us to serve this consumer and deliver value to shareholders.”

ANALYTICAL SUPPORT

For questions or analytical support, please contact Robert Altun at (631) 656-1148 or roberta@creditntell.com

BUSINESS DESCRIPTION

The Company is a sporting goods retailer, operating more than 320 stores, primarily in the Southeast and Southwest U.S.

CONTACT INFORMATION

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KEY PERSONNEL

Ken Hicks	Executive Chairman
Steven Lawrence	CEO
Michael Mullican	President
Carl Ford	CFO

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