

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): **May 30, 2024**

Foot Locker, Inc.

(Exact name of registrant as specified in charter)

New York
(State or other jurisdiction
of incorporation)

1-10299
(Commission
File Number)

13-3513936
(IRS Employer
Identification No.)

330 West 34th Street, New York, New York
(Address of principal executive offices)

10001
(Zip Code)

Registrant's telephone number, including area code: **(212) 720-3700**

N/A

(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 230.425)
- 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))

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, par value \$0.01 per share	FL	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Item 2.02. Results of Operations and Financial Condition.

On May 30, 2024, Foot Locker, Inc. (the "Company") issued a press release (the "Press Release") announcing its financial results for the first quarter ended May 4, 2024. A copy of the Press Release is furnished as Exhibit 99.1 to this Current Report on Form 8-K, which, in its entirety, is incorporated herein by reference.

Item 7.01. Regulation FD Disclosure.

In conjunction with the Press Release, the Company also made available the Investor Presentation. The Investor Presentation, which is available under the "Investor Relations" section of the Company's corporate website, located at investors.footlocker-inc.com, is included as Exhibit 99.2 to this Current Report on Form 8-K, which, in its entirety, is incorporated herein by reference. Information on the Company's corporate website is not, and will not be deemed to be, a part of this Current Report on Form 8-K or incorporated into any other filings the Company may make with the U.S. Securities and Exchange Commission.

The information contained in these Items 2.02 and 7.01 of this Current Report on Form 8-K, including the accompanying Exhibits 99.1 and 99.2, 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 deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release, dated May 30, 2024.
99.2	Investor Presentation, dated May 30, 2024.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

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

FOOT LOCKER, INC.

Date: May 30, 2024

By: /s/ Michael Baughn
Name: Michael Baughn
Title: Executive Vice President and
Chief Financial Officer

FOOT LOCKER, INC.

NEWS RELEASE

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FOOT LOCKER, INC. REPORTS FIRST QUARTER 2024 FINANCIAL RESULTS; REAFFIRMS 2024 OUTLOOK

- Total Sales Decreased 2.8%; Comparable Sales Decreased 1.8%
- Global Foot Locker and Kids Foot Locker Comparable Sales Increased 1.1%
 - EPS of \$0.09 and Non-GAAP EPS of \$0.22
 - Inventory Decreased 5.6% Year-over-Year
- Reaffirms First-Half and Full-Year 2024 Non-GAAP EPS Outlook

NEW YORK, NY, May 30, 2024 – Foot Locker, Inc. (NYSE: FL), the New York-based specialty athletic retailer, today reported financial results for its first quarter ended May 4, 2024.

Mary Dillon, President and Chief Executive Officer, said, “We had a solid start to the year, which demonstrates that our Lace Up Plan is working. We delivered comparable sales results and gross margin in line with our expectations, while earnings per share outperformed due to disciplined expense management and some favorable shifts in expense timing. Importantly, we are well-positioned with fresh assortments as we approach the summer and Back-to-School seasons, and we are pleased to be reaffirming our full-year outlook.”

Ms. Dillon continued, “Through our Lace Up Plan, we are strengthening our brand partnerships, enhancing customer engagement through digital and loyalty investments, and solidifying our position at the intersection of basketball and sneaker culture. In stores, we are elevating the customer experience through store refreshes and our newly unveiled retail concept, which recently opened in Wayne, New Jersey, with four more locations opening this year. The upcoming launch of our reimagined FLX Rewards program in the U.S. in the second quarter will further strengthen our demand flywheel as we evolve into a modern, omni-channel retailer. I remain confident that the Lace Up Plan is positioning the Company for sustainable growth and shareholder value creation.”

First Quarter Results

- Total sales decreased by 2.8%, to \$1,874 million, as compared with sales of \$1,927 million in the first quarter of 2023. Excluding the effect of foreign exchange rate fluctuations, total sales for the first quarter decreased by 2.4%.
- Comparable sales decreased by 1.8%, including a 220 basis-point impact from the continued repositioning of the Champs Sports banner. Global Foot Locker and Kids Foot Locker comparable sales increased 1.1%.

Please refer to the Sales by Banner table below for detailed sales performance by banner and region.

- Gross margin declined by 120 basis points as compared with the prior-year period, with markdowns sequentially moderating compared to the fourth quarter of 2023, partially offset by occupancy leverage.
- SG&A as a percentage of sales increased by 220 basis points compared with the prior-year period, with investments in technology and brand-building as well as higher inflation, partially offset by savings from the cost optimization program, ongoing expense discipline, and a shift in the timing of expenses into the second quarter from the first quarter of 2024.
- First quarter net income was \$8 million, as compared with net income of \$36 million in the corresponding prior-year period. On a Non-GAAP basis, net income was \$21 million, as compared with \$66 million in the corresponding prior-year period.
- First quarter earnings per share were \$0.09, as compared with earnings per share of \$0.38 in the first quarter of 2023. Non-GAAP earnings per share decreased to \$0.22 in the first quarter, as compared with \$0.70 in the corresponding prior-year period.

See the tables below for the reconciliation of Non-GAAP measures.

Balance Sheet

At quarter-end, the Company's cash and cash equivalents totaled \$282 million, while total debt was \$446 million.

As of May 4, 2024, the Company's merchandise inventories were \$1.7 billion, 5.6% lower than at the end of the first quarter last year. Excluding the effect of foreign currency fluctuations, merchandise inventories decreased by 4.9% as compared with the first quarter of last year.

Store Base Update

During the first quarter, the Company opened 4 new stores and closed 37 stores. Also during the quarter, the Company remodeled or relocated 16 stores and updated 13 stores to our current design standards, which incorporate key elements of our current brand design specifications.

As of May 4, 2024, the Company operated 2,490 stores in 26 countries in North America, Europe, Asia, Australia, and New Zealand. In addition, 206 franchised stores were operating in the Middle East and Asia.

Reaffirming 2024 Financial Outlook

The Company's full year 2024 outlook, representing the 52 weeks ending February 1, 2025, is summarized in the table below.

The full-year Non-GAAP EPS guidance of \$1.50-\$1.70 includes an approximate \$0.10 non-recurring charge in the second quarter of 2024 from the anticipated rollout to the rest of North America of the Company's enhanced FLX loyalty program. This charge is anticipated as loyalty points will be converted into additional benefits for the Company's customers.

Metric	Full Year 2024 Guidance	Commentary
Sales Change	-1.0% to +1.0%	~1% annual headwind from lapping 53 rd week in 2023
Comparable Sales Change	+1.0 to +3.0%	
Store Count Change	Down ~4%	
Square Footage Change	Down ~1%	
Licensing Revenue	~\$17 million	
Gross Margin	29.8% to 30.0%	Lower markdowns year-on-year
SG&A Rate	24.4% to 24.6%	Ongoing investment spending
D&A	\$210 to \$215 million	
EBIT Margin	2.8% to 3.2%	
Net Interest	~\$12 million	
Non-GAAP Tax Rate	35.0%-36.0%	
Non-GAAP EPS	\$1.50-\$1.70	
Adj. Capital Expenditures*	\$345 million	

* *Adjusted Capex includes capitalized Technology expense*

The Company provides earnings guidance only on a non-GAAP basis and does not provide a reconciliation of the Company's forward-looking EBIT, capital expenditures, and diluted earnings per share guidance to the most directly comparable GAAP financial measures because of the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliations.

Conference Call and Webcast

The Company will host a conference call at 9:00 a.m. ET today, May 30, 2024, to review its first quarter 2024 results and provide an update on the business. An investor presentation will be available on the Investor Relations section of the Company's corporate website before the start of the conference call. The call may be accessed live by calling toll-free 1-844-701-1163 or international toll 1-412-317-5490, or via footlocker-inc.com. Please log on to the website 15 minutes prior to the call to register. An archived replay of the conference call will be accessible approximately one hour following the end of the call through June 12, 2024, by calling 1-877-344-7529 in the U.S., 1-855-669-9658 in Canada, and 1-412-317-0088 internationally with passcode 3031102. A webcast replay will also be available at footlocker-inc.com.

Disclosure Regarding Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the federal securities laws. Other than statements of historical facts, all statements which address activities, events, or developments that the Company anticipates will or may occur in the future, including, but not limited to, such things as future capital expenditures, expansion, strategic plans, financial objectives, dividend payments, stock repurchases, financial outlook, and other such matters, are forward-looking statements. These forward-looking statements are based on many assumptions and factors, which are detailed in the Company's filings with the U.S. Securities and Exchange Commission.

These forward-looking statements are based largely on our expectations and judgments and are subject to a number of risks and uncertainties, many of which are unforeseeable and beyond our control. For additional discussion regarding risks and uncertainties that may affect forward-looking statements, see "Risk Factors" disclosed in the Company's Annual Report on Form 10-K for the year ended February 3, 2024, filed on March 28, 2024. Any changes in such assumptions or factors could produce significantly different results. The Company undertakes no obligation to update the forward-looking statements, whether as a result of new information, future events, or otherwise.

FOOT LOCKER, INC.

Condensed Consolidated Statements of Operations (unaudited)

Periods ended May 4, 2024 and April 29, 2023

(In millions, except per share amounts)

	First Quarter	
	2024	2023
Sales	\$ 1,874	\$ 1,927
Licensing revenue	5	4
Total revenue	1,879	1,931
Cost of sales	1,335	1,349
Selling, general and administrative expenses	461	431
Depreciation and amortization	51	51
Impairment and other	14	39
Income from operations	18	61
Interest expense, net	(1)	(1)
Other income / (expense), net	(4)	(3)
Income before income taxes	13	57
Income tax expense	5	21
Net income	\$ 8	\$ 36
Diluted earnings per share	\$ 0.09	\$ 0.38
Weighted-average diluted shares outstanding	95.3	95.1

Non-GAAP Financial Measures

In addition to reporting the Company's financial results in accordance with generally accepted accounting principles ("GAAP"), the Company reports certain financial results that differ from what is reported under GAAP. Non-GAAP financial measures that will be presented will exclude (i) gains or losses related to our minority investments, (ii) impairments and other, and (iii) certain tax matters that we believe are nonrecurring or unusual in nature.

Certain financial measures are identified as non-GAAP, such as sales changes excluding foreign currency fluctuations, adjusted income before income taxes, adjusted net income, and adjusted diluted earnings per share. We present certain amounts as excluding the effects of foreign currency fluctuations, which are also considered non-GAAP measures. Where amounts are expressed as excluding the effects of foreign currency fluctuations, such changes are determined by translating all amounts in both years using the prior-year average foreign exchange rates. Presenting amounts on a constant currency basis is useful to investors because it enables them to better understand the changes in our business that are not related to currency movements.

These non-GAAP measures are presented because we believe they assist investors in allowing a more direct comparison of our performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core business or affect comparability. In addition, these non-GAAP measures are useful in assessing our progress in achieving our long-term financial objectives and are consistent with how executive compensation is determined.

We estimate the tax effect of all non-GAAP adjustments by applying a marginal tax rate to each item. The income tax items represent the discrete amount that affected the period. The non-GAAP financial information is provided in addition, and not as an alternative, to our reported results prepared in accordance with GAAP. The various non-GAAP adjustments are summarized in the tables below.

FOOT LOCKER, INC.

Non-GAAP Reconciliation (unaudited)

Periods ended May 4, 2024 and April 29, 2023
(In millions, except per share amounts)

Reconciliation of GAAP to non-GAAP results:

	First Quarter	
	2024	2023
Pre-tax income:		
Income before income taxes	\$ 13	\$ 57
Pre-tax adjustments excluded from GAAP:		
Impairment and other ⁽¹⁾	14	39
Other income / expense ⁽²⁾	2	1
Adjusted income before income taxes (non-GAAP)	\$ 29	\$ 97
After-tax income:		
Net income	\$ 8	\$ 36
After-tax adjustments excluded from GAAP:		
Impairment and other, net of income tax benefit of \$3, and \$6 million, respectively ⁽¹⁾	11	33
Other income / expense, net of income tax expense of \$-, and \$- million, respectively ⁽²⁾	2	1
Tax reserves benefit ⁽³⁾	—	(4)
Adjusted net income (non-GAAP)	\$ 21	\$ 66
Earnings per share:		
Diluted earnings per share	\$ 0.09	\$ 0.38
Diluted EPS amounts excluded from GAAP:		
Impairment and other ⁽¹⁾	0.11	0.36
Other income / expense ⁽²⁾	0.02	—
Tax reserves benefit ⁽³⁾	—	(0.04)
Adjusted diluted earnings per share (non-GAAP)	\$ 0.22	\$ 0.70

Notes on Non-GAAP Adjustments:

(1) For the first quarter of 2024, impairment and other included a loss accrual for legal claims of \$7 million and a \$7 million impairment of long-lived assets and right-of-use assets related to the Company's decision to no longer operate, and to sublease, one of its larger unprofitable stores in Europe.

For the first quarter of 2023, impairment and other included transformation consulting expense of \$19 million, impairment charges of \$18 million, primarily accelerated tenancy charges on right-of-use assets for the closures of the Sidestep banner and certain Foot Locker Asia stores, and \$2 million of reorganizations costs, primarily related the closure of a North American distribution center, and other costs associated with the closures of the Sidestep banner and certain Foot Locker Asia stores.

(2) For the first quarters of 2024 and 2023, other income / expense consisted of \$2 million and \$1 million, respectively, of our share of losses related to equity method investments.

(3) In the first quarter of 2023, the Company recorded a \$4 million benefit related to income tax reserves due to a statute of limitations release.

FOOT LOCKER, INC.

Sales by Banner (unaudited)

Periods ended May 4, 2024 and April 29, 2023
(In millions)

	First Quarter					
	2024		2023		Constant Currencies	Comparable Sales
Foot Locker	\$	759	\$	744	2.0%	0.8%
Champs Sports		267		328	(18.6)	(13.4)
Kids Foot Locker		183		167	9.6	6.4
WSS		160		150	6.7	(5.8)
North America		1,369		1,389	(1.4)	(2.5)
Foot Locker		394		379	3.7	1.6
Sidestep		—		14	(100.0)	n.m.
EMEA		394		393	—	1.6
Foot Locker		72		98	(23.5)	(8.7)
atmos		39		47	(6.4)	0.3
Asia Pacific		111		145	(17.9)	(5.5)
Total	\$	1,874	\$	1,927	(2.4)%	(1.8)%

FOOT LOCKER, INC.

Condensed Consolidated Balance Sheets

(unaudited)

(In millions)

	May 4, 2024	April 29, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 282	\$ 313
Merchandise inventories	1,659	1,758
Other current assets	414	326
	2,355	2,397
Property and equipment, net	910	901
Operating lease right-of-use assets	2,175	2,331
Deferred taxes	114	94
Goodwill	760	781
Other intangible assets, net	392	421
Minority investments	150	629
Other assets	91	89
	\$ 6,947	\$ 7,643
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 515	\$ 474
Accrued and other liabilities	389	447
Current portion of long-term debt and obligations under finance leases	5	6
Current portion of lease obligations	496	533
	1,405	1,460
Long-term debt and obligations under finance leases	441	445
Long-term lease obligations	1,984	2,132
Other liabilities	231	323
Total liabilities	4,061	4,360
Total shareholders' equity	2,886	3,283
	\$ 6,947	\$ 7,643

FOOT LOCKER, INC.

Condensed Consolidated Statement of Cash Flows

(unaudited)

(In millions)

(\$ in millions)	Thirteen weeks ended	
	May 4, 2024	April 29, 2023
From operating activities:		
Net income	\$ 8	\$ 36
Adjustments to reconcile net income to net cash from operating activities:		
Non-cash impairment and other	7	18
Depreciation and amortization	51	51
Deferred income taxes	(5)	(4)
Share-based compensation expense	6	2
Change in assets and liabilities:		
Merchandise inventories	(158)	(117)
Accounts payable	151	(16)
Accrued and other liabilities	(3)	(87)
Other, net	1	(1)
Net cash provided by (used in) operating activities	58	(118)
From investing activities:		
Capital expenditures	(76)	(59)
Net cash used in investing activities	(76)	(59)
From financing activities:		
Dividends paid on common stock	—	(38)
Shares of common stock repurchased to satisfy tax withholding obligations	(4)	(10)
Payment of obligations under finance leases	(2)	(2)
Proceeds from exercise of stock options	5	4
Net cash used in financing activities	(1)	(46)
Effect of exchange rate fluctuations on cash, cash equivalents, and restricted cash	2	—
Net change in cash, cash equivalents, and restricted cash	(17)	(223)
Cash, cash equivalents, and restricted cash at beginning of year	334	582
Cash, cash equivalents, and restricted cash at end of period	\$ 317	\$ 359

FOOT LOCKER, INC.

Store Count and Square Footage (unaudited)

Store activity is as follows:

	February 3, 2024	Opened	Closed	May 4, 2024	Relocations/ Remodels
Foot Locker U.S.	723	—	12	711	4
Foot Locker Canada	85	—	1	84	—
Champs Sports	404	—	9	395	—
Kids Foot Locker	390	1	6	385	3
WSS	141	—	—	141	—
Footaction	1	—	—	1	—
North America	1,744	1	28	1,717	7
Foot Locker Europe ⁽¹⁾	637	3	9	631	16
EMEA	637	3	9	631	16
Foot Locker Pacific	98	—	—	98	4
Foot Locker Asia	13	—	—	13	—
atmos	31	—	—	31	2
Asia Pacific	142	—	—	142	6
Total	2,523	4	37	2,490	29

Selling and gross square footage are as follows:

(in thousands)	April 29, 2023		May 4, 2024	
	Selling	Gross	Selling	Gross
Foot Locker U.S.	2,351	4,025	2,386	4,049
Foot Locker Canada	251	413	257	423
Champs Sports	1,775	2,784	1,508	2,373
Kids Foot Locker	752	1,262	776	1,295
WSS	1,235	1,479	1,458	1,757
Footaction	6	11	3	6
North America	6,370	9,974	6,388	9,903
Foot Locker Europe ⁽¹⁾	1,155	2,372	1,210	2,459
Sidestep	93	179	-	-
EMEA	1,248	2,551	1,210	2,459
Foot Locker Pacific	216	331	246	371
Foot Locker Asia	126	233	52	98
atmos	36	62	28	48
Asia Pacific	378	626	326	517
Total	7,996	13,151	7,924	12,879

(1) Includes 13 and 10 Kids Foot Locker stores, and the related square footage, operating in Europe for February 3, 2024 and May 4, 2024, respectively.

FOOT LOCKER, INC.

**FIRST QUARTER 2024
EARNINGS RESULTS**

MAY 30, 2024

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This investor presentation includes "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often include words such as "believes," "expects," "anticipates," "estimates," "intends," "plans," "seeks," "continues," "feels," "forecasts," or words of similar meaning, or future or conditional verbs, such as "will," "should," "could," "may," "aims," "intends," or "projects." Statements may be forward looking even in the absence of these particular words.

Examples of forward-looking statements include, but are not limited to, statements regarding our financial position, business strategy, and other plans and objectives for our future operations, and generation of free cash flow. These forward-looking statements are based on our current expectations and beliefs concerning future developments and their potential effect on us. The forward-looking statements contained herein are largely based on our expectations for the future, which reflect certain estimates and assumptions made by our management. These estimates and assumptions reflect our best judgment based on currently known market conditions, operating trends, and other factors. Although we believe such estimates and assumptions to be reasonable, they are inherently uncertain and involve a number of risks and uncertainties that are beyond our control. As such, management's assumptions about future events may prove to be inaccurate.

We do not intend to publicly update or revise any forward-looking statements as a result of new information, future events, changes in circumstances, or otherwise. These cautionary statements qualify all forward-looking statements attributable to us, or persons acting on our behalf. Management cautions you that the forward-looking statements contained herein are not guarantees of future performance, and we cannot assure you that such statements will be realized or that the events and circumstances they describe will occur. Factors that could cause actual results to differ materially from those anticipated or implied in the forward-looking statements herein include, but are not limited to, a change in the relationship with any of our key suppliers, including access to premium products, volume discounts, cooperative advertising, markdown allowances, or the ability to cancel orders or return merchandise; inventory management; our ability to fund our planned capital investments; execution of the Company's long-term strategic plan; a recession, volatility in the financial markets, and other global economic factors, including inflation; capital and resource allocation among our strategic opportunities; our ability to realize the expected benefits from acquisitions; business opportunities and expansion; investments; expenses; dividends; share repurchases; cash management; liquidity; cash flow from operations; access to credit markets at competitive terms; borrowing capacity under our credit facility; cash repatriation; supply chain issues; labor shortages and wage pressures; consumer spending levels; licensed store arrangements; the effect of certain governmental assistance programs; the success of our marketing and sponsorship arrangements; expectations regarding increasing global taxes; the effect of increased government regulation, compliance, and changes in law; the effect of the adverse outcome of any material litigation or government investigation that affects us or our industry generally; the effects of weather; ESG risks; increased competition; geopolitical events; the financial effects of accounting regulations and critical accounting policies; counterparty risks; and any other factors set forth in the section entitled "Risk Factors" of our most recent Annual Report on Form 10-K.

All written and oral forward-looking statements attributable to us are expressly qualified in their entirety by this cautionary statement. A forward-looking statement is neither a prediction nor a guarantee of future events or circumstances, and those future events or circumstances may not occur. You should not place undue reliance on forward-looking statements, which speak to our views only as of the date of this investor presentation. Additional risks and uncertainties that we do not presently know about or that we currently consider to be insignificant may also affect our business operations and financial performance.

Please refer to "Item 1A. Risk Factors" in the Annual Report for a discussion of certain risks relating to our business and any investment in our securities. Given these risks and uncertainties, you should not rely on forward-looking statements as predictions of actual results. Any or all of the forward-looking statements contained in this investor presentation, or any other public statement made by us, including by our management, may turn out to be incorrect.

We are including this cautionary note to make applicable, and take advantage of, the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 for forward-looking statements. We expressly disclaim any obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Non-GAAP Measures – Amounts used in this presentation are on a Non-GAAP basis, a reconciliation is included in the Appendix.



First QUARTER

2024 RESULTS

FOOT LOCKER, INC.



FIRST QUARTER 2024 HIGHLIGHTS

COMP SALES

-1.8%

Total sales -2.8%

Comp Detail

Global FL/KFL	+1.1%
NA	-2.5%
EMEA	+1.6%
APAC	-5.5%

Gross margin

-120 bps

Higher Promotions YoY

SG&A rate

+220 bps

Investments in Technology, Brand-Building, and Incentive Comp

Healthy Inventory Levels
Headed into 2024

-5.6%

Year-over-year

GAAP EPS

\$0.09

Non-GAAP EPS*

\$0.22

* A reconciliation to GAAP is provided in the Appendix

FOOT LOCKER, INC.

1Q GLOBAL COMP DETAIL



Footwear
Up Low-Single Digits



Apparel
Down Mid-Teens



Accessories
Down Low-Single Digits

Down Mid-Single
Digits
February

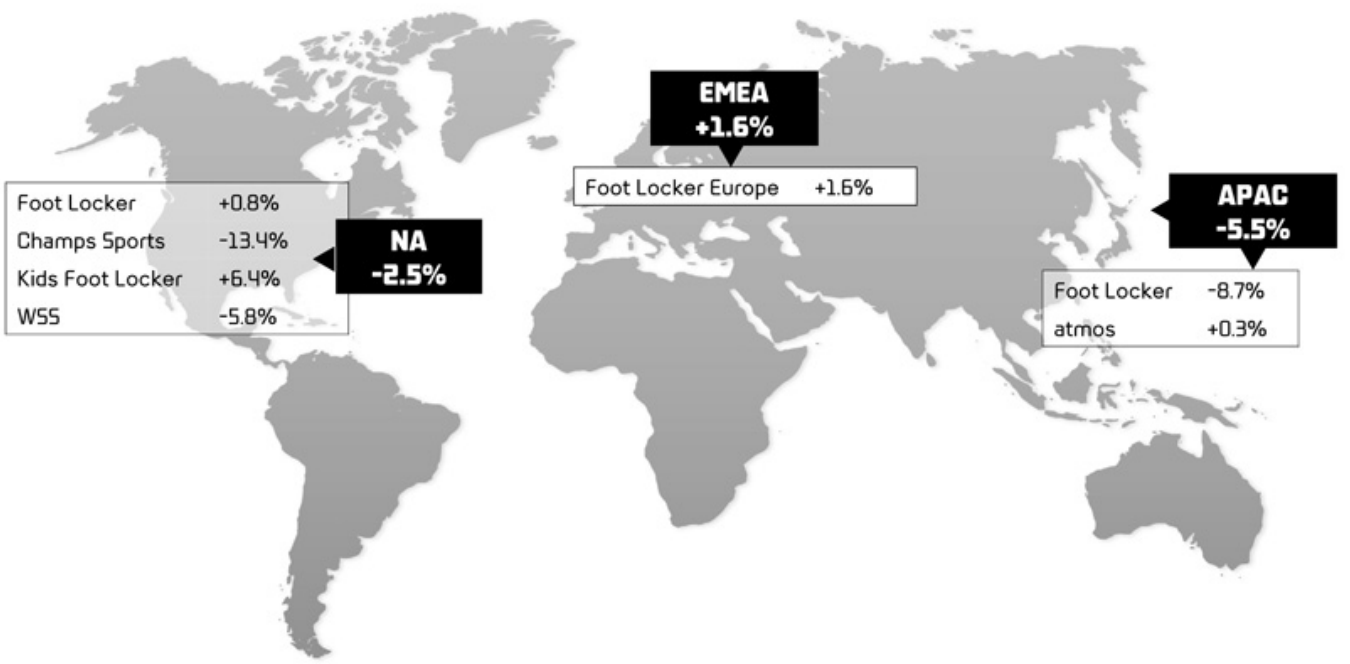
Down Low-Single
Digits
March

Approximately
Flat
April

March/April
Down Low-Single
Digits

Note: Data is on comp basis. Category data is ex-WSS/atmos, while monthly data includes WSS/atmos.

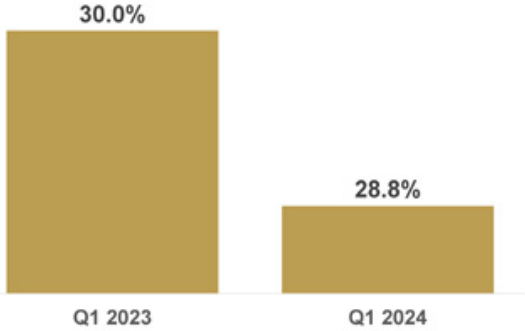
FOOT LOCKER, INC.



FOOT LOCKER, INC.

FIRST QUARTER 2024 GROSS MARGIN AND SG&A RATE

GROSS MARGIN (% of sales)

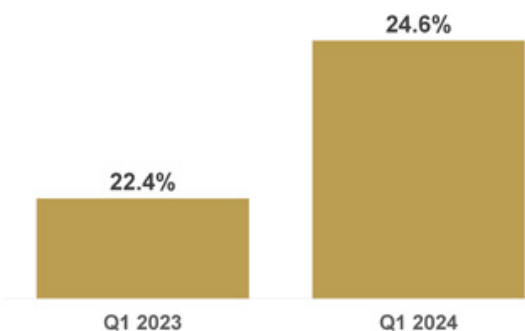


Down 120 bps Vs. Last Year

Key Drivers

- Merchandise Margin Fell 140 Bps on Sequentially Improved Markdowns compared to 4Q23
- Occupancy Leveraged 20 Bps

SG&A EXPENSES (% of sales)



Up 220 bps Vs. Last Year

Key Drivers

- Pressure from Investments in Technology and Brand-Building
- Partially Offset by Cost Savings



FOOT LOCKER, INC.



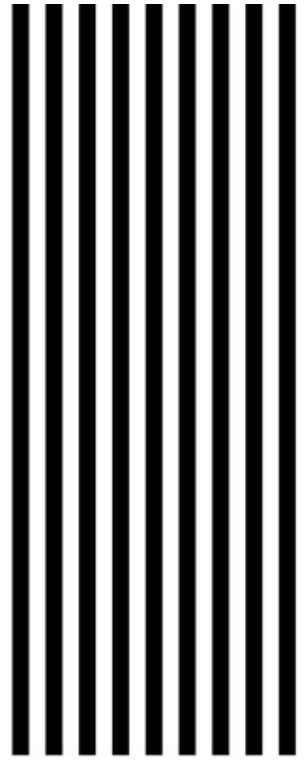


Metric	Outlook	Commentary
Total Sales	-1.0% to +1.0%	-1% annual headwind from lapping 53 rd week in 2023
Comp Sales	+1.0% to +3.0%	
Store Count	Down -4%	
Square Footage	Down -1%	
Licensing Revenue	-\$17 million	
Gross Margin	29.8% to 30.0%	Lower markdowns year-on-year
SG&A Rate	24.4% to 24.6%	Ongoing investment spending
D&A	\$210 to \$215 million	
EBIT Margin	2.8% to 3.2%	
Net Interest	-\$12 million	
Non-GAAP Tax Rate	35.0%-36.0%	
Non-GAAP EPS	\$1.50-\$1.70	
Adjusted Capital Expenditures	-\$345 million	

FOOT LOCKER, INC.



Our Lace Up Plan



FOOT LOCKER, INC.

1Q24 Lace Up Dashboard

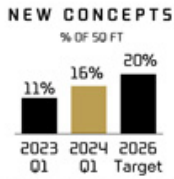
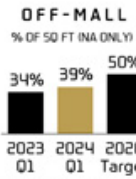
Expand Sneaker Culture

Increase our array of brands to expand sneaker culture

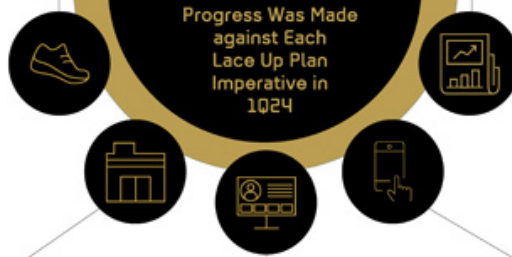


Power Up Our Portfolio

Transform our store footprint through new concepts and footprint optimization

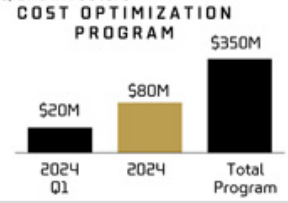


Progress Was Made against Each Lace Up Plan Imperative in 1Q24



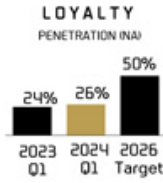
Create Value for All Stakeholders

Create lasting value for our communities, team members, and investors



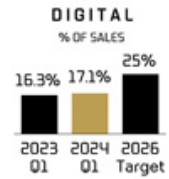
Deepen Our Relationship with Customers

Drive deeper customer engagement, and utilize data to better serve our customers



Be Best-in-class Omni

Make the customer journey more dynamic, personalized, and seamless



FOOT LOCKER, INC.

Willowbrook Mall Reinvented Retail Format



The Heart



Kick It Club



Storefront



Women's Perimeter




Men's Perimeter



Sneaker Hub



FOOT LOCKER, INC.



Foot Locker's mission is to be the "go to" destination for discovering and buying sneakers globally

WITH THE RIGHT FOCUS, INVESTMENT AND CAPABILITIES, WE WILL DRIVE STEADY, LONG-TERM PROFITABLE GROWTH

LACING UP FOR THE FUTURE



Strong Assets To Leverage



Operate In An Exciting, Growing Market



New Insights And Opportunities To Grow

FOOT LOCKER, INC.

FOOT LOCKER VISION

Foot Locker Unlocks The
"Inner Sneakerhead" In All Of Us –
Sparking Discovery And Igniting The
Power Of Sneaker Culture.

Foot Locker

Bring the best of sneaker culture to all

Kids Foot Locker

Recruit the next generation



Serve the active athlete



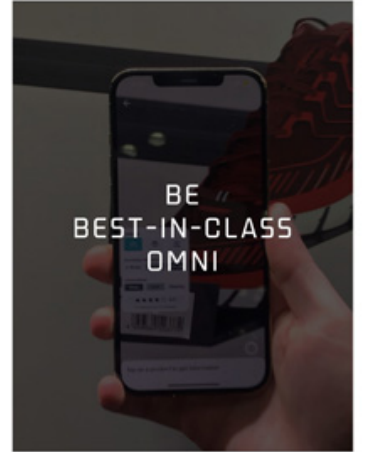
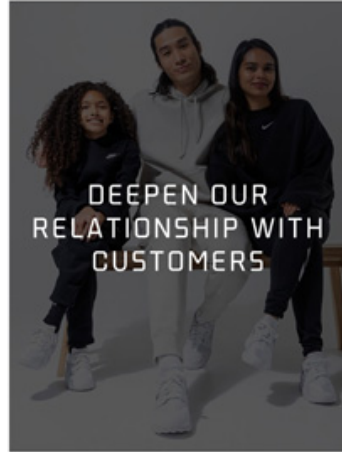
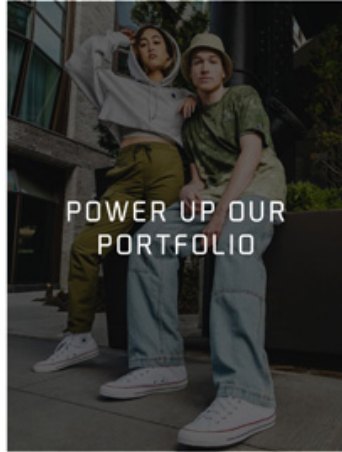
Celebrate the Hispanic community

atmos

Share Japanese street and sneaker culture

FOOT LOCKER, INC.

Our Lace Up Plan



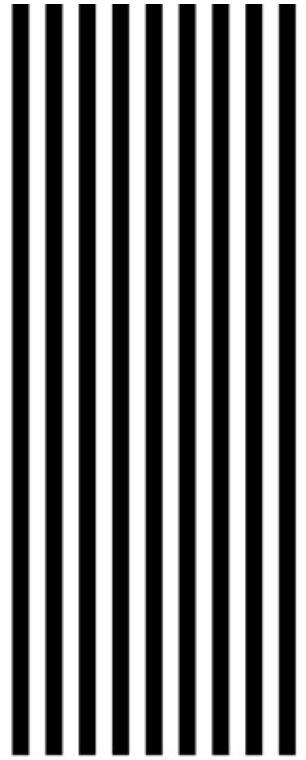
CREATE VALUE FOR ALL STAKEHOLDERS (CUSTOMERS, BRAND PARTNERS, COMMUNITY, TEAM MEMBERS, & INVESTORS)



FOOT LOCKER, INC.



APPENDIX



FOOT LOCKER, INC.

GAAP to Non-GAAP Reconciliations

	First Quarter	
	2024	2023
Pre-tax income:		
Income before income taxes	\$ 13	\$ 57
Pre-tax adjustments excluded from GAAP:		
Impairment and other ⁽¹⁾	14	39
Other income / expense ⁽²⁾	2	1
Adjusted income before income taxes (non-GAAP)	\$ 29	\$ 97
After-tax income:		
Net income	\$ 8	\$ 36
After-tax adjustments excluded from GAAP:		
Impairment and other, net of income tax benefit of \$3, and \$6 million, respectively ⁽¹⁾	11	33
Other income / expense, net of income tax expense of \$-, and \$- million, respectively ⁽²⁾	2	1
Tax reserves benefit ⁽³⁾	—	(4)
Adjusted net income (non-GAAP)	\$ 21	\$ 66

FOOT LOCKER, INC.

GAAP to Non-GAAP Reconciliations (cont.)

	First Quarter	
	2024	2023
Earnings per share:		
Diluted earnings per share	\$ 0.09	\$ 0.38
Diluted EPS amounts excluded from GAAP:		
Impairment and other ⁽¹⁾	0.11	0.36
Other income / expense ⁽²⁾	0.02	—
Tax reserves benefit ⁽³⁾	—	(0.04)
Adjusted diluted earnings per share (non-GAAP)	\$ 0.22	\$ 0.70

Notes on Non-GAAP Adjustments:

- (1) For the first quarter of 2024, impairment and other included a loss accrual for legal claims of \$7 million and a \$7 million impairment of long-lived assets and right-of-use assets related to the Company's decision to no longer operate, and to sublease, one of its larger unprofitable stores in Europe.

For the first quarter of 2023, impairment and other included transformation consulting expense of \$19 million, impairment charges of \$18 million, primarily accelerated tenancy charges on right-of-use assets for the closures of the Sidestep banner and certain Foot Locker Asia stores, and \$2 million of reorganizations costs, primarily related to the closure of a North American distribution center, and other costs associated with the closures of the Sidestep banner and certain Foot Locker Asia stores.

- (2) For the first quarters of 2024 and 2023, other income / expense consisted of \$2 million and \$1 million, respectively, of our share of losses related to equity method investments.
- (3) In the first quarter of 2023, the Company recorded a \$4 million benefit related to income tax reserves due to a statute of limitations release.

The Company provides earnings guidance only on a non-GAAP basis and does not provide a reconciliation of the Company's forward-looking guidance to the most directly comparable GAAP financial measures because of the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliations.

FOOT LOCKER, INC.