

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): **August 28, 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 August 28, 2024, Foot Locker, Inc. (the “Company”) issued a press release (the “Press Release”) announcing its financial results for the second quarter ended August 3, 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 August 28, 2024.
99.2	Investor Presentation, dated August 28, 2024.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

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 hereunto duly authorized.

FOOT LOCKER, INC.

Date: August 28, 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 SECOND QUARTER 2024 FINANCIAL RESULTS; REAFFIRMS 2024 OUTLOOK; ANNOUNCES STRATEGIC UPDATES IN SUPPORT OF LACE UP PLAN

- **Returned to Topline Growth with Total Sales Up 1.9% and Comparable Sales Up 2.6%**
 - **Achieved Gross Margin Expansion of 50 Basis Points Year-over-Year**
 - **Loss of \$0.13 per Share and Non-GAAP Loss of \$0.05 per Share**
 - **Inventory Decreased 10.0% Year-over-Year**
 - **Reaffirms Full-Year 2024 Non-GAAP EPS Outlook**
- **Further Streamlining International Operations and Optimizing Corporate Office Footprint**

NEW YORK, NY, August 28, 2024 – Foot Locker, Inc. (NYSE: FL), the New York-based specialty athletic retailer, today reported financial results for its second quarter ended August 3, 2024.

Mary Dillon, President and Chief Executive Officer, said, “The Lace Up Plan is working, as evidenced by our return to positive total and comparable sales growth as well as gross margin expansion in the second quarter. Our top line trends strengthened as we moved through the quarter, including a solid start to Back-to-School. We were also particularly pleased to deliver stabilization in our Champs Sports banner. As planned, we relaunched our enhanced FLX Rewards Program in the United States during the quarter and have been encouraged by initial results. Our strategies are building momentum as we look to the remainder of the year, and we are reaffirming our full-year Non-GAAP EPS outlook.”

Ms. Dillon continued, “Through our Lace Up Plan, we are unlocking meaningful opportunities for our business as we are leveraging our strong brand partnerships, differentiating our in-store experiences through refreshes and new concept doors, and enhancing our customer connections via digital and loyalty. We are also continuing to simplify our business to enable greater focus on our core banners and markets and have taken steps to further streamline our operations in Asia and Europe, while expanding our licensing partnerships. In addition, to better support our strategic progress, to increase team member collaboration, as well as ongoing expense discipline, we made the decision to relocate our headquarters to St. Petersburg, Florida in 2025. I remain confident that we are taking the right actions to position the Company for its next 50 years of profitable growth and create long-term shareholder value.”

Second Quarter Results

- Total sales increased by 1.9%, to \$1,896 million, as compared with sales of \$1,861 million in the second quarter of 2023. Excluding the effect of foreign exchange rate fluctuations, total sales for the second quarter increased by 2.5%. A non-recurring charge associated with the rollout of the Company’s enhanced FLX Rewards Program in the United States reduced sales by \$11 million.
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- Comparable sales increased by 2.6%, led by global Foot Locker and Kids Foot Locker comparable sales growth of 5.2%.

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

- Gross margin increased 50 basis points as compared with the prior-year period, including a 40-basis point drag from the non-recurring FLX Rewards Program charge in the second quarter. Excluding the non-recurring FLX Rewards Program impact, gross margin improved by 90 basis points as compared with the second quarter of 2023, which was led by reduced markdown levels in addition to occupancy leverage.
- SG&A as a percentage of sales increased by 130 basis points as compared with the prior-year period, driven by technology investments, brand-building expenses, as well as higher inflation, partially offset by savings from the cost optimization program and ongoing expense discipline.
- Second quarter net loss was \$12 million, as compared with a net loss of \$5 million in the corresponding prior-year period. On a Non-GAAP basis, net loss was \$4 million, as compared with net income of \$4 million in the corresponding prior-year period.
- Second quarter loss per share was \$0.13, as compared with a net loss of \$0.05 per share in the second quarter of 2023. Non-GAAP earnings decreased to a loss of \$0.05 per share in the second quarter, as compared with Non-GAAP earnings per share of \$0.04 in the corresponding prior-year period. Both GAAP and non-GAAP second quarter earnings per share included a \$0.09 per share negative impact from the non-recurring FLX charge in the quarter.

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

Balance Sheet

At quarter-end, the Company's cash and cash equivalents totaled \$291 million, while total debt was \$445 million.

As of August 3, 2024, the Company's merchandise inventories were \$1.6 billion, 10.0% lower than at the end of the second quarter last year. Excluding the effect of foreign currency fluctuations, merchandise inventories decreased by 9.2% as compared with the second quarter of last year.

Store Base Update

During the second quarter, the Company opened 5 new stores and closed 31 stores. Also during the quarter, the Company remodeled or relocated 14 stores and refreshed 67 stores to our current design standards, which incorporate key elements of our current brand design specifications.

As of August 3, 2024, the Company operated 2,464 stores in 26 countries in North America, Europe, Asia, Australia, and New Zealand. In addition, 213 licensed stores were operating in the Middle East and Asia.

International Operations Updates

As part of its Lace Up Plan and ongoing efforts to simplify its business model and focus on core banners and regions, the Company is taking the following actions in Asia Pacific and Europe:

- Closing its stores and ecommerce operations in South Korea;
 - Closing its stores and ecommerce operations in Denmark, Norway, and Sweden; and
 - Signed agreements with Fournalis Holdings Société Anonyme (Fournalis Group), a leading retail group and licensing operator in Southeast Europe, to transfer store and ecommerce operations in Greece and store operations in Romania.
-

Combined, these actions will result in the closure or transfer of operations for approximately 30 stores of the Company's 140 stores in Asia Pacific and 629 stores in Europe. These changes are expected to be completed by mid-2025.

The Company has also entered into agreements with Furlis Group for future store and ecommerce expansion in South East Europe. In combination with future expansion opportunities in Greece and Romania, the Company and Furlis Group see an opportunity for over 100 stores in the region over the next several years.

Headquarters Relocation and Opening of Global Technology Services (GTS) Hub

To further support strategic progress against the Lace Up Plan, Foot Locker, Inc. is also announcing that it will move its global headquarters to St. Petersburg, Florida in late 2025. As such, the Company plans to maintain only a limited presence in New York City going forward. The intent of the relocation is to further build on the Company's meaningful presence in St. Petersburg and to enable increased collaboration among teams across banners and functions, while also reducing costs.

Separately, in September, Foot Locker will celebrate the opening of its Global Technology Services (GTS) Hub in Dallas, Texas. Led by Chief Technology Officer Adrian Butler, this new technology and innovation center will accelerate technology delivery and cross-functional collaboration with access to a best-in-class technology talent pool.

Reaffirming 2024 Non-GAAP EPS Outlook

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

Metric	Prior Guidance	Updated	Commentary
Sales Change	-1.0% to +1.0%	-1.0% to +1.0%	~1% headwind from lapping the 53rd week in 2023
Comparable Sales Change	+1.0 to +3.0%	+1.0 to +3.0%	
Store Count Change	Down ~4%	Down ~4%	
Square Footage Change	Down ~1%	Down ~2%	Slightly fewer WSS openings
Licensing Revenue	~\$17 million	~\$17 million	
Gross Margin	29.8% to 30.0%	29.5% to 29.7%	Promotional pressure in international and WSS
SG&A Rate	24.4% to 24.6%	24.1% to 24.3%	Ongoing investment spending
D&A	\$210 to \$215 million	\$210 to \$215 million	
EBIT Margin	2.8% to 3.2%	2.8% to 3.2%	
Net Interest	~\$12 million	~\$10 million	
Non-GAAP Tax Rate	35.0% to 36.0%	33.0% to 34.0%	
Non-GAAP EPS	\$1.50 to \$1.70	\$1.50 to \$1.70	Includes a \$0.09 drag from non-recurring FLX charge
Capital Expenditures	\$290 million	\$275 million	Slightly fewer WSS openings
Adj. Capital Expenditures*	\$345 million	\$330 million	Includes ~\$55 million in technology investment reflected in operating cash flows

* *Adjusted Capital Expenditures includes Software-as-a-Service contracts that are amortized through operating expenses over their contract terms.*

The Company provides earnings guidance only on a non-GAAP basis and does not provide a reconciliation of the Company's forward-looking EBIT, non-GAAP tax rate, 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, August 28, 2024, to review its second 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 September 11, 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 2509598. 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 August 3, 2024 and July 29, 2023
(In millions, except per share amounts)

	Second Quarter		Year-to-Date	
	2024	2023	2024	2023
Sales	\$ 1,896	\$ 1,861	\$ 3,770	\$ 3,788
Licensing revenue	4	3	9	7
Total revenue	1,900	1,864	3,779	3,795
Cost of sales	1,373	1,357	2,708	2,706
Selling, general and administrative expenses	476	442	937	873
Depreciation and amortization	51	50	102	101
Impairment and other	9	14	23	53
(Loss) income from operations	(9)	1	9	62
Interest expense, net	(3)	(4)	(4)	(5)
Other income (expense), net	(2)	—	(6)	(3)
(Loss) income before income taxes	(14)	(3)	(1)	54
Income tax (benefit) expense	(2)	2	3	23
Net (loss) income	\$ (12)	\$ (5)	(4)	31
Diluted (loss) earnings per share	\$ (0.13)	\$ (0.05)	\$ (0.04)	\$ 0.33
Weighted-average diluted shares outstanding	95.0	94.2	94.8	95.0

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 August 3, 2024 and July 29, 2023
(In millions, except per share amounts)

Reconciliation of GAAP to non-GAAP results:

	Second Quarter		Year-to-Date	
	2024	2023	2024	2023
Pre-tax (loss) income:				
(Loss) income before income taxes	\$ (14)	\$ (3)	\$ (1)	\$ 54
Pre-tax adjustments excluded from GAAP:				
Impairment and other (1)	9	14	23	53
Other income / expense (2)	—	(2)	2	(1)
Adjusted (loss) income before income taxes (non-GAAP)	\$ (5)	\$ 9	\$ 24	\$ 106
After-tax (loss) income:				
Net (loss) income	\$ (12)	\$ (5)	\$ (4)	\$ 31
After-tax adjustments excluded from GAAP:				
Impairment and other, net of income tax benefit of \$1, \$3, \$4, and \$9 million, respectively (1)	8	11	19	44
Other income / expense, net of income tax expense of \$-, \$-, \$-, and \$- million, respectively (2)	—	(2)	2	(1)
Tax reserves benefit (3)	—	—	—	(4)
Adjusted net (loss) income (non-GAAP)	\$ (4)	\$ 4	\$ 17	\$ 70

	Second Quarter		Year-to-Date	
	2024	2023	2024	2023
Earnings per share:				
Diluted (loss) earnings per share	\$ (0.13)	\$ (0.05)	\$ (0.04)	\$ 0.33
Diluted per share amounts excluded from GAAP:				
Impairment and other (1)	0.08	0.12	0.20	0.47
Other income / expense (2)	—	(0.03)	0.02	(0.02)
Tax reserves benefit (3)	—	—	—	(0.04)
Adjusted diluted (loss) earnings per share (non-GAAP)	\$ (0.05)	\$ 0.04	\$ 0.18	\$ 0.74

Notes on Non-GAAP Adjustments:

(1) For the second quarter of 2024, impairment and other included a \$9 million impairment of long-lived assets and right-of-use assets primarily related to the Company's decision to exit underperforming operations in South Korea, Denmark, Norway, and Sweden. The Company will be closing all stores operating in those regions as we focus on improving the overall results of our international operations. For year-to-date 2024, impairment and other also 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 second quarter of 2023, impairment and other included transformation consulting expense of \$7 million, impairment charges of \$3 million, primarily accelerated tenancy charges on right-of-use assets for the closures of the Sidestep banner and certain Foot Locker Asia stores, \$3 million of reorganization costs, primarily related to the closures of the Sidestep banner and certain Foot Locker Asia stores, and \$1 million in other charges. For year-to-date 2023, impairment and other included transformation consulting expense of \$26 million, impairment charges of \$21 million, primarily accelerated tenancy charges on right-of-use assets for the closures of the Sidestep banner and certain Foot Locker Asia stores, \$5 million of reorganizations costs, primarily related to the announced closure of a North American distribution center and the closures of the Sidestep banner and certain Foot Locker Asia stores, and \$1 million in other charges.

(2) For year-to-date 2024, the adjustments to other income / expense consisted of \$2 million of our share of losses related to equity method investments.

For the second quarter of 2023, the adjustments of other income / expense consisted of a \$2 million gain from the sale of our Singapore and Malaysian Foot Locker businesses to our license partner, which was partially offset by our share of losses related to equity method investments of \$1 million for year-to-date 2023.

(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 August 3, 2024 and July 29, 2023
(In millions)

	Second Quarter				Year-to-Date			
	2024	2023	Constant Currencies	Comparable Sales	2024	2023	Constant Currencies	Comparable Sales
Foot Locker	\$ 754	\$ 704	7.5%	5.9%	\$ 1,513	\$ 1,448	4.7%	3.2%
Champs Sports	268	293	(8.5)	(3.9)	535	621	(13.8)	(8.8)
Kids Foot Locker	154	146	5.5	—	337	313	7.7	3.1
WSS	155	145	6.9	(6.2)	315	295	6.8	(6.0)
Other	1	—	n.m.	n.m.	1	—	n.m.	n.m.
North America	1,332	1,288	3.6	1.7	2,701	2,677	1.0	(0.5)
Foot Locker	445	416	8.2	7.6	839	795	5.9	4.8
Sidestep	—	12	(100.0)	n.m.	—	26	(100.0)	n.m.
EMEA	445	428	5.1	7.6	839	821	2.6	4.8
Foot Locker	87	102	(13.7)	(2.2)	159	200	(18.5)	(5.5)
atmos	32	43	(18.6)	(9.6)	71	90	(11.1)	(4.0)
Asia Pacific	119	145	(15.2)	(4.5)	230	290	(16.2)	(5.0)
Total	\$ 1,896	\$ 1,861	2.5%	2.6%	\$ 3,770	\$ 3,788	—%	0.3%

FOOT LOCKER, INC.

Condensed Consolidated Balance Sheets (unaudited) (In millions)

	August 3, 2024	July 29, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 291	\$ 180
Merchandise inventories	1,648	1,831
Other current assets	404	360
	2,343	2,371
Property and equipment, net	905	898
Operating lease right-of-use assets	2,173	2,266
Deferred taxes	130	94
Goodwill	764	774
Other intangible assets, net	393	415
Minority investments	150	629
Other assets	95	89
	\$ 6,953	\$ 7,536
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 487	\$ 514
Accrued and other liabilities	424	419
Current portion of long-term debt and obligations under finance leases	5	6
Current portion of lease obligations	496	513
	1,412	1,452
Long-term debt and obligations under finance leases	440	444
Long-term lease obligations	1,978	2,071
Other liabilities	226	322
Total liabilities	4,056	4,289
Total shareholders' equity	2,897	3,247
	\$ 6,953	\$ 7,536

FOOT LOCKER, INC.

Condensed Consolidated Statement of Cash Flows (unaudited) (In millions)

(\$ in millions)	Twenty-six weeks ended	
	August 3, 2024	July 29, 2023
From operating activities:		
Net (loss) income	\$ (4)	\$ 31
Adjustments to reconcile net (loss) income to net cash from operating activities:		
Non-cash impairment and other	16	21
Depreciation and amortization	102	101
Deferred income taxes	(29)	(3)
Share-based compensation expense	13	4
Gain on sales of businesses	—	(2)
Change in assets and liabilities:		
Merchandise inventories	(143)	(194)
Accounts payable	123	23
Accrued and other liabilities	31	(97)
Other, net	17	(68)
Net cash provided by (used in) operating activities	126	(184)
From investing activities:		
Capital expenditures	(132)	(105)
Minority investments	(1)	(1)
Proceeds from sales of businesses	—	10
Net cash used in investing activities	(133)	(96)
From financing activities:		
Payment of debt issuance costs	(4)	—
Dividends paid on common stock	—	(75)
Shares of common stock repurchased to satisfy tax withholding obligations	(5)	(10)
Payment of obligations under finance leases	(3)	(3)
Proceeds from exercise of stock options	5	5
Treasury stock reissued under employee stock plan	2	3
Net cash used in financing activities	(5)	(80)
Effect of exchange rate fluctuations on cash, cash equivalents, and restricted cash	—	3
Net change in cash, cash equivalents, and restricted cash	(12)	(357)
Cash, cash equivalents, and restricted cash at beginning of year	334	582
Cash, cash equivalents, and restricted cash at end of period	\$ 322	\$ 225

FOOT LOCKER, INC.

Store Count and Square Footage (unaudited)

Store activity is as follows:

	February 3, 2024	Opened	Closed	August 3, 2024	Relocations/ Remodels
Foot Locker U.S.	723	—	26	697	35
Foot Locker Canada	85	—	1	84	6
Champs Sports	404	—	12	392	—
Kids Foot Locker	390	1	13	378	24
WSS	141	2	—	143	1
Footaction	1	—	—	1	—
North America	1,744	3	52	1,695	66
Foot Locker Europe (1)	637	6	14	629	35
EMEA	637	6	14	629	35
Foot Locker Pacific	98	—	1	97	7
Foot Locker Asia	13	—	—	13	—
atmos	31	—	1	30	2
Asia Pacific	142	—	2	140	9
Total	2,523	9	68	2,464	110

Selling and gross square footage are as follows:

(in thousands)	July 29, 2023		August 3, 2024	
	Selling	Gross	Selling	Gross
Foot Locker U.S.	2,354	4,028	2,364	4,004
Foot Locker Canada	250	412	257	423
Champs Sports	1,760	2,761	1,497	2,356
Kids Foot Locker	750	1,259	766	1,281
WSS	1,301	1,562	1,479	1,779
Footaction	3	6	3	6
North America	6,418	10,028	6,366	9,849
Foot Locker Europe (1)	1,172	2,399	1,215	2,465
Sidestep	10	20	—	—
EMEA	1,182	2,419	1,215	2,465
Foot Locker Pacific	219	334	244	369
Foot Locker Asia	52	98	52	98
atmos	35	61	28	47
Asia Pacific	306	493	324	514
Total	7,906	12,940	7,905	12,828

(1) Includes 13 and 8 Kids Foot Locker stores, and the related square footage, operating in Europe for February 3, 2024 and August 3, 2024, respectively.

FOOT LOCKER, INC.

**SECOND QUARTER 2024
EARNINGS RESULTS**

AUGUST 28, 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; a recession, volatility in the financial markets, and other global economic factors, including inflation; difficulties in appropriately allocating capital and resources 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; our ability to access the credit markets at competitive terms; borrowing capacity under our credit facility; repatriation of cash to the United States; 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, including, but not limited to climate change; increased competition; geopolitical events; the financial effect of accounting regulations and critical accounting policies; credit risk relating to the risk of loss as a result of non-performance by our counterparties; 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.



Second QUARTER

2024 RESULTS

FOOT LOCKER, INC.



SECOND QUARTER 2024 HIGHLIGHTS

COMP SALES

+2.6%

Total sales +1.9%

Comp Detail

Global FL/KFL	+5.2%
NA	+1.7%
EMEA	+7.6%
APAC	(4.5%)

Gross margin

+50 bps

Merchandise Margins Up
(excluding FLX transition)
+ Occupancy Leverage

SG&A rate

+130 bps

Investments in Technology, Brand-
Building, and Incentive Comp

Healthy Inventory Levels
Headed into 3Q24

(10.0%)

Year-over-year

GAAP EPS

(\$0.13)

Non-GAAP EPS*

(\$0.05)

* A reconciliation to GAAP is provided in the Appendix

FOOT LOCKER, INC.

2Q GLOBAL COMP DETAIL



Footwear
Up High-Single Digits



Apparel
Down Mid-Teens



Accessories
Up Mid-Single Digits

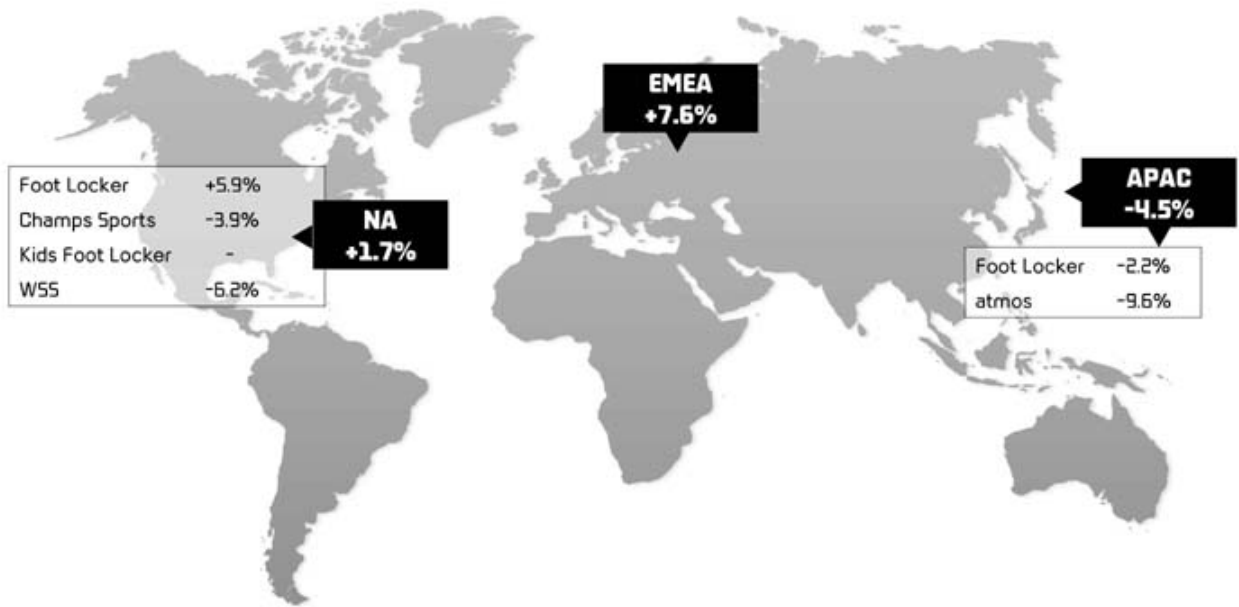
Down Low-Single
Digits
May

Up Mid-Single
Digits
June

Up Mid-Single
Digits
July

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

FOOT LOCKER, INC.

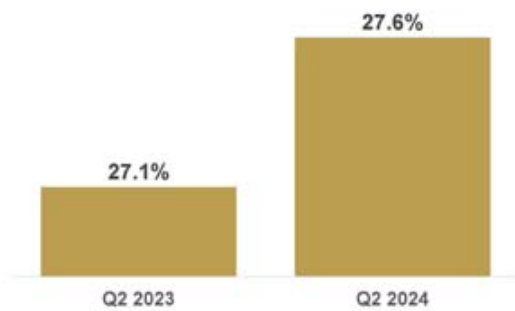


FOOT LOCKER, INC.



SECOND QUARTER 2024 GROSS MARGIN AND SG&A RATE

GROSS MARGIN (% of sales)

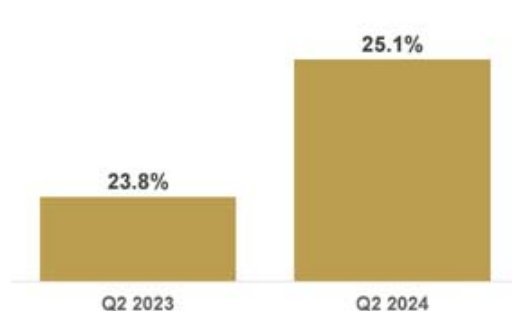


Up 50 bps Vs. Last Year

Key Drivers

- Merchandise Margin Declined 20 Bps including 40 Bps Impact of Non-Recurring FLX Charge
- Occupancy Leveraged 70 Bps

SG&A EXPENSES (% of sales)



Up 130 bps Vs. Last Year

Key Drivers

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



FOOT LOCKER, INC.





**2024
OUT-
LOOK**
(52-WEEK
YEAR)

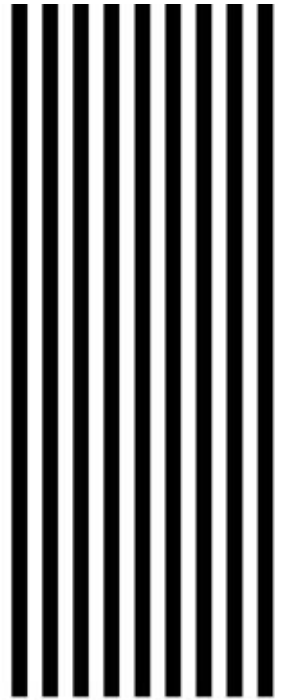
Metric	Prior Outlook	Updated Outlook	Commentary
Total Sales	-1.0% to +1.0%	-1.0% to +1.0%	-1% annual headwind from lapping 53 rd week in 2023
Comp Sales	+1.0% to +3.0%	+1.0 to +3.0%	
Store Count	Down -4%	Down -4%	
Square Footage	Down -1%	Down -2%	Slightly fewer WSS openings
Licensing Revenue	-\$17 million	-\$17 million	
Gross Margin	29.8% to 30.0%	29.5% to 29.7%	Promotional pressure in international and WSS
SG&A Rate	24.4% to 24.6%	24.1% to 24.3%	Ongoing investment spending
D&A	\$210 to \$215 million	\$210 to \$215 million	
EBIT Margin	2.8% to 3.2%	2.8% to 3.2%	
Net Interest	-\$12 million	-\$10 million	
Non-GAAP Tax Rate	35.0% to 36.0%	33.0% to 34.0%	
Non-GAAP EPS	\$1.50 to \$1.70	\$1.50 to \$1.70	Includes a \$0.09 drag from non-recurring FLX charge
Capital Expenditures	\$290 million	\$275 million	Slightly fewer WSS openings
Adjusted Capital Expenditures*	\$345 million	\$330 million	Includes -\$55 million in technology investment reflected in operating cash flows

*Adjusted Capital Expenditures includes Software-as-a-Service contracts that are amortized through operating expenses over their contract terms.

FOOT LOCKER, INC.



Our Lace Up Plan



FOOT LOCKER, INC.

2024 Lace Up Dashboard

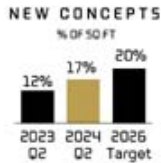
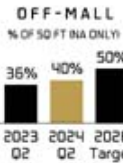
Expand Sneaker Culture

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
2024



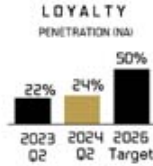
Create Value for All Stakeholders

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.

MISSION

Foot Locker unlocks
the "inner sneakerhead"
in all of us

VISION

To be known as the go-to
destination for discovering
and buying sneakers globally

Foot Locker

Bring the best of
sneaker culture to all

Kids Foot Locker

Recruit the next
generation



Head-to-toe
sport style

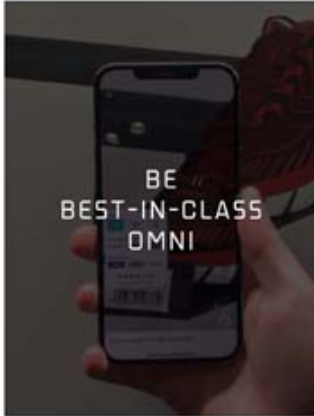


Celebrate the Hispanic
community



Share and celebrate
Japanese street and
sneaker culture

Our Lace Up Plan



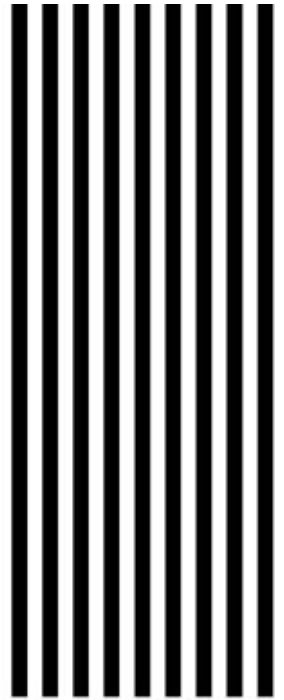
CREATE VALUE FOR ALL STAKEHOLDERS (CUSTOMERS, BRAND PARTNERS, COMMUNITY, TEAM MEMBERS, & INVESTORS)



FOOT LOCKER, INC.



APPENDIX



FOOT LOCKER, INC.

GAAP to Non-GAAP Reconciliations

	Second Quarter		Year-to-Date	
	2024	2023	2024	2023
Pre-tax (loss) income:				
(Loss) income before income taxes	\$ (14)	\$ (3)	\$ (1)	\$ 54
Pre-tax adjustments excluded from GAAP:				
Impairment and other ⁽¹⁾	9	14	23	53
Other income / expense ⁽²⁾	—	(2)	2	(1)
Adjusted (loss) income before income taxes (non-GAAP)	\$ (5)	\$ 9	\$ 24	\$ 106
After-tax (loss) income:				
Net (loss) income	\$ (12)	\$ (5)	\$ (4)	\$ 31
After-tax adjustments excluded from GAAP:				
Impairment and other, net of income tax benefit of \$1, \$3, \$4, and \$9 million, respectively ⁽¹⁾	8	11	19	44
Other income / expense, net of income tax expense of \$-, \$-, \$-, and \$- million, respectively ⁽²⁾	—	(2)	2	(1)
Tax reserves benefit ⁽³⁾	—	—	—	(4)
Adjusted net (loss) income (non-GAAP)	\$ (4)	\$ 4	\$ 17	\$ 70

FOOT LOCKER, INC.

GAAP to Non-GAAP Reconciliations (cont.)

	Second Quarter		Year-to-Date	
	2024	2023	2024	2023
Earnings per share:				
Diluted (loss) earnings per share	\$ (0.13)	\$ (0.05)	\$ (0.04)	\$ 0.33
Diluted per share amounts excluded from GAAP:				
Impairment and other ⁽¹⁾	0.08	0.12	0.20	0.47
Other income / expense ⁽²⁾	—	(0.03)	0.02	(0.02)
Tax reserves benefit ⁽³⁾	—	—	—	(0.04)
Adjusted diluted (loss) earnings per share (non-GAAP)	\$ (0.05)	\$ 0.04	\$ 0.18	\$ 0.74

Notes on Non-GAAP Adjustments:

- For the second quarter of 2024, impairment and other included a \$9 million impairment of long-lived assets and right-of-use assets primarily related to the Company's decision to exit underperforming operations in South Korea, Denmark, Norway, and Sweden. The Company will be closing all stores operating in those regions as we focus on improving the overall results of our international operations. For year-to-date 2024, impairment and other also 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 second quarter of 2023, impairment and other included transformation consulting expense of \$7 million, impairment charges of \$3 million, primarily accelerated tenancy charges on right-of-use assets for the closures of the Sidestep banner and certain Foot Locker Asia stores, \$3 million of reorganization costs, primarily related to the closures of the Sidestep banner and certain Foot Locker Asia stores, and \$1 million in other charges. For year-to-date 2023, impairment and other included transformation consulting expense of \$26 million, impairment charges of \$21 million, primarily accelerated tenancy charges on right-of-use assets for the closures of the Sidestep banner and certain Foot Locker Asia stores, \$3 million of reorganizations costs, primarily related to the announced closure of a North American distribution center and the closures of the Sidestep banner and certain Foot Locker Asia stores, and \$1 million in other charges.
- For year-to-date 2024, the adjustments to other income / expense consisted of \$2 million of our share of losses related to equity method investments.

For the second quarter of 2023, the adjustments of other income / expense consisted of a \$2 million gain from the sale of our Singapore and Malaysian Foot Locker businesses to our license partner, which was partially offset by our share of losses related to equity method investments of \$1 million for year-to-date 2023.
- 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.