

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.



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

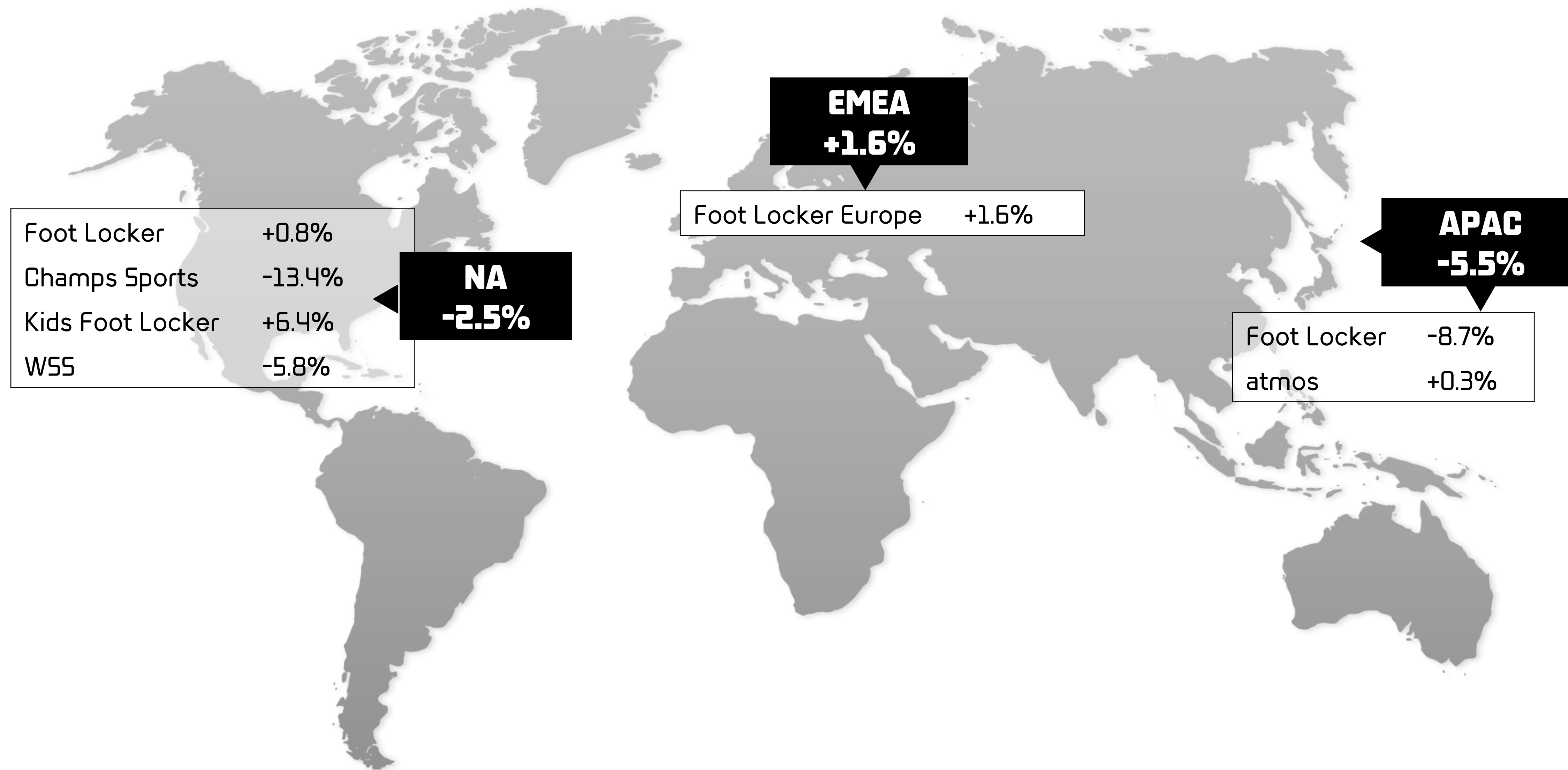
Down Mid-Single Digits
February

Down Low-Single Digits
March

Approximately Flat
April

March/April
Down Low-Single Digits

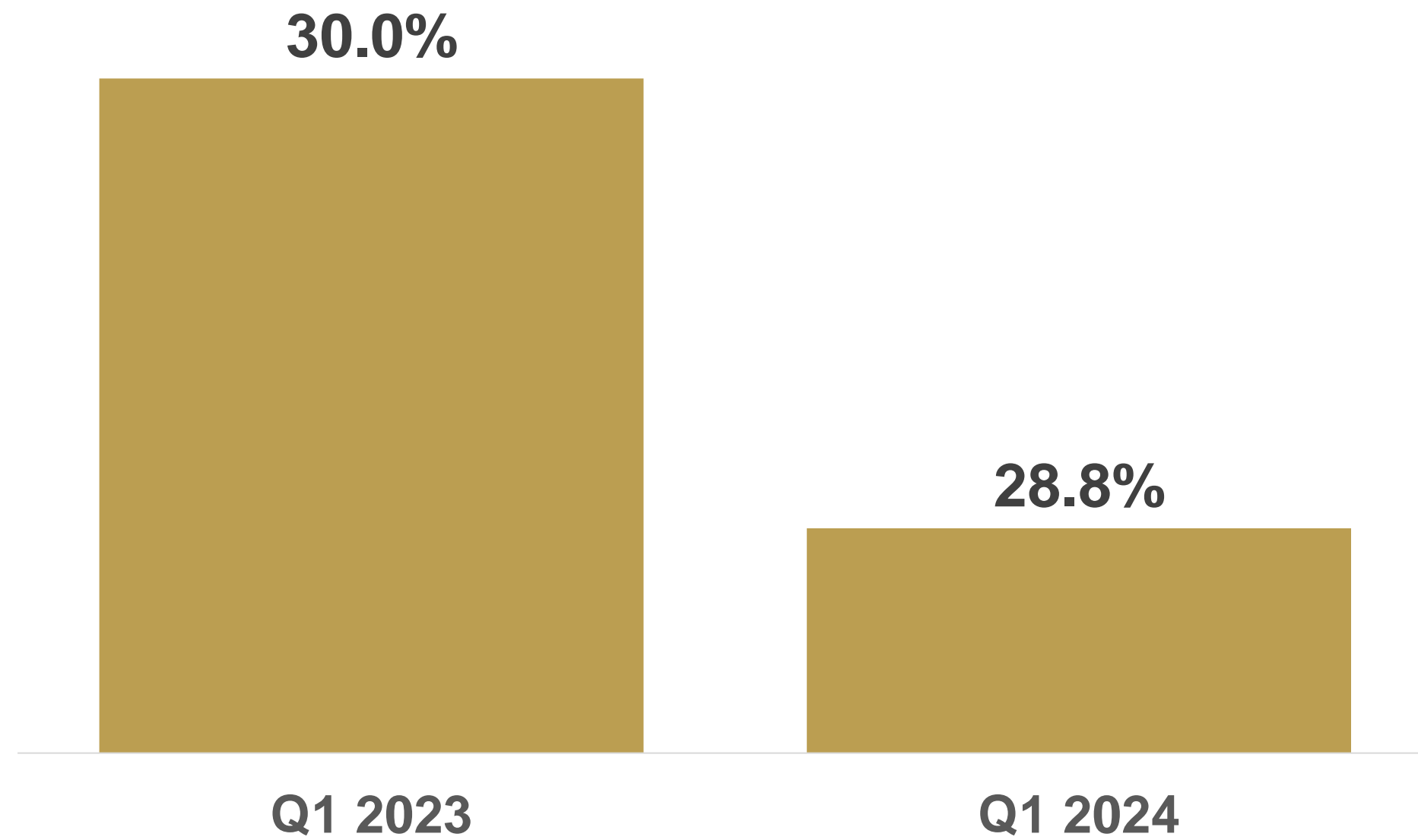
Note: Data is on comp basis. Category data is ex-W55/atmos, while monthly data includes W55/atmos.



FIRST QUARTER 2024 GROSS MARGIN AND SG&A RATE

GROSS MARGIN

(% of sales)



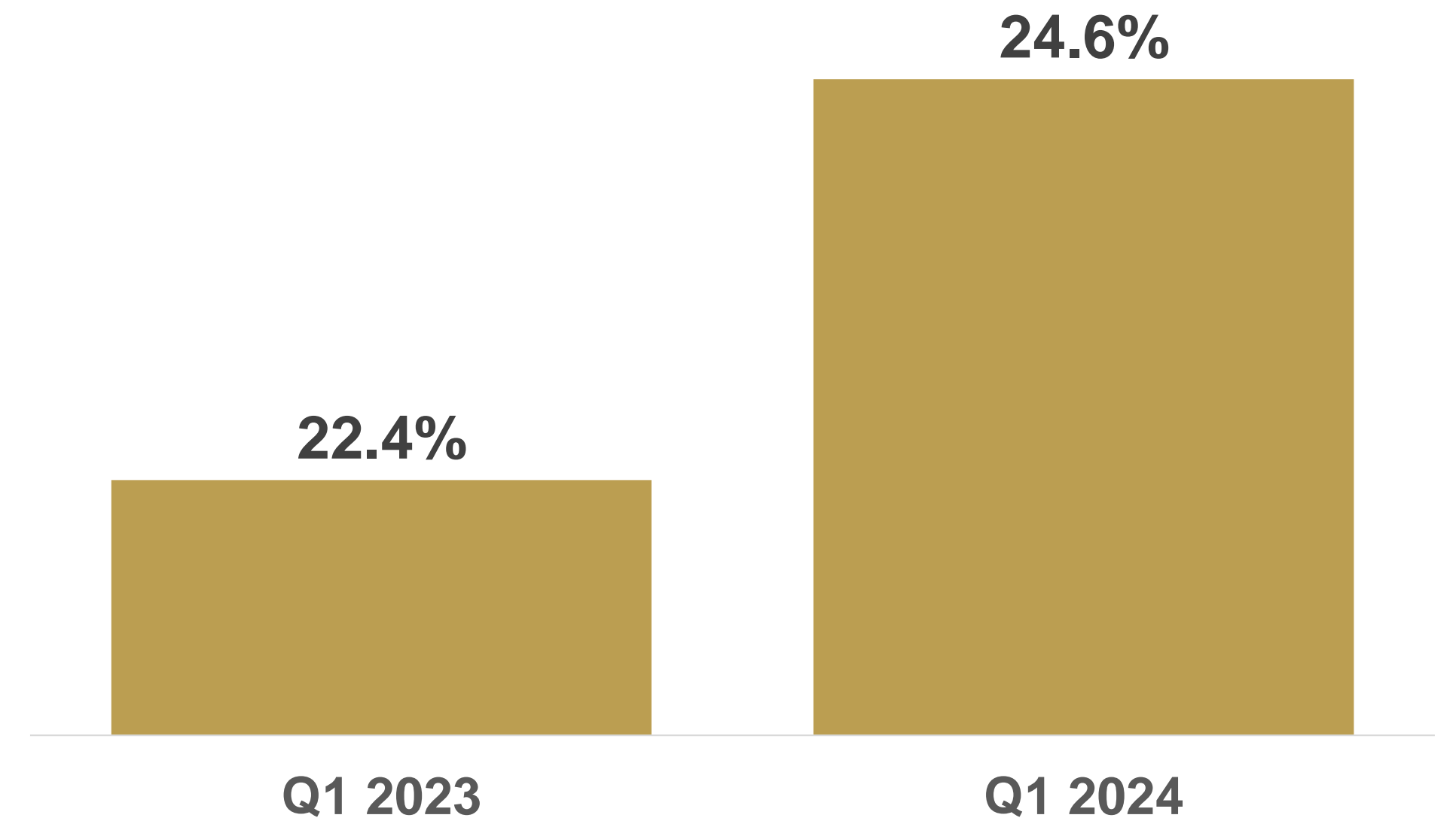
Down 120 bps Vs. Last Year

Key Drivers

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

SG&A EXPENSES

(% of sales)



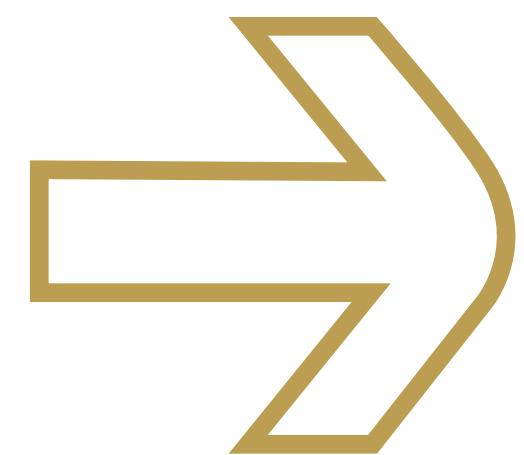
Up 220 bps Vs. Last Year

Key Drivers

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

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

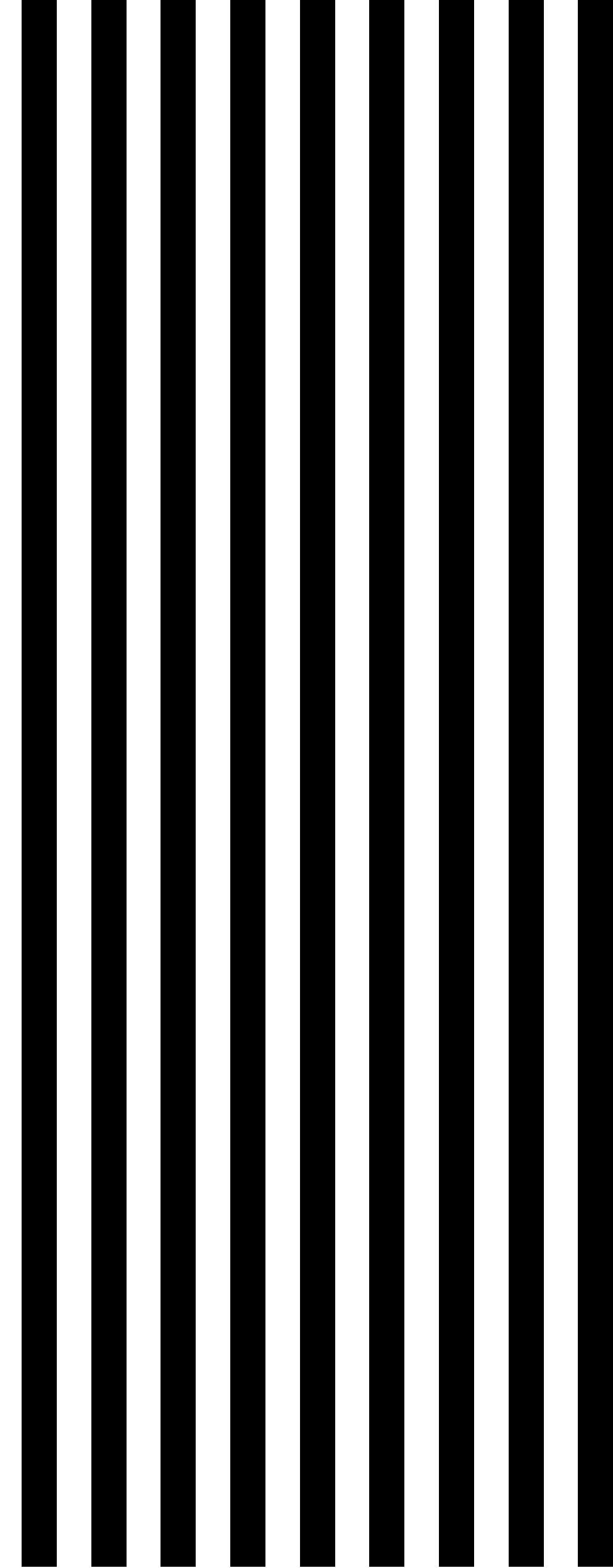
Metric	Outlook	Commentary
Total Sales	-1.0% to +1.0%	~1% annual headwind from lapping 53 rd week in 2023
Comp Sales	+1.0% to +3.0%	
Store Count	Down ~4%	
Square Footage	Down ~1%	
Licensing Revenue	~\$17 million	
Gross Margin	29.8% to 30.0%	Lower markdowns year-on-year
SG&A Rate	24.4% to 24.6%	Ongoing 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	



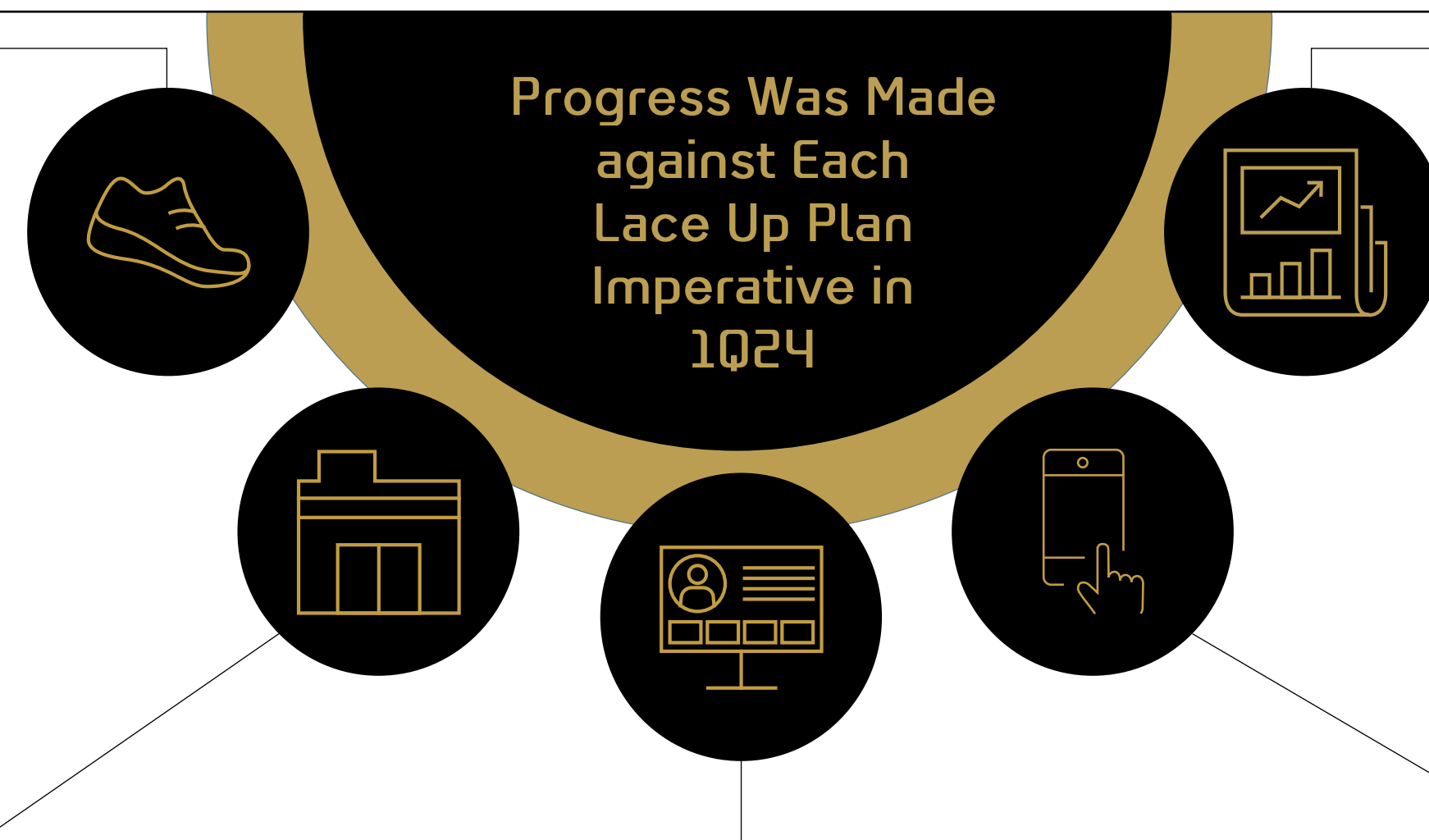
Our

Lace Up

Plan

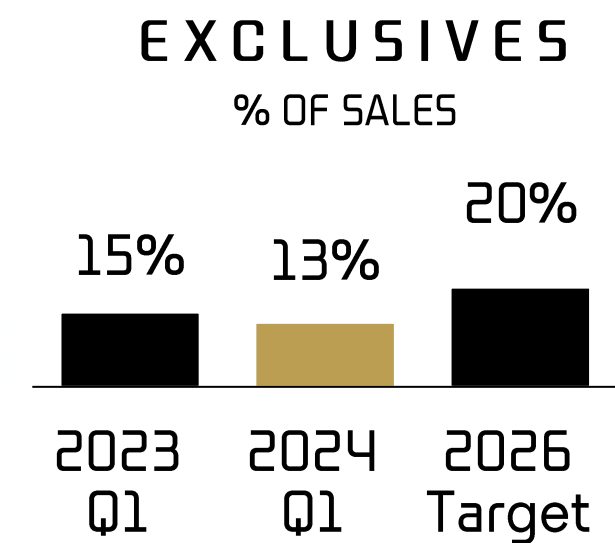


1Q24 Lace Up Dashboard



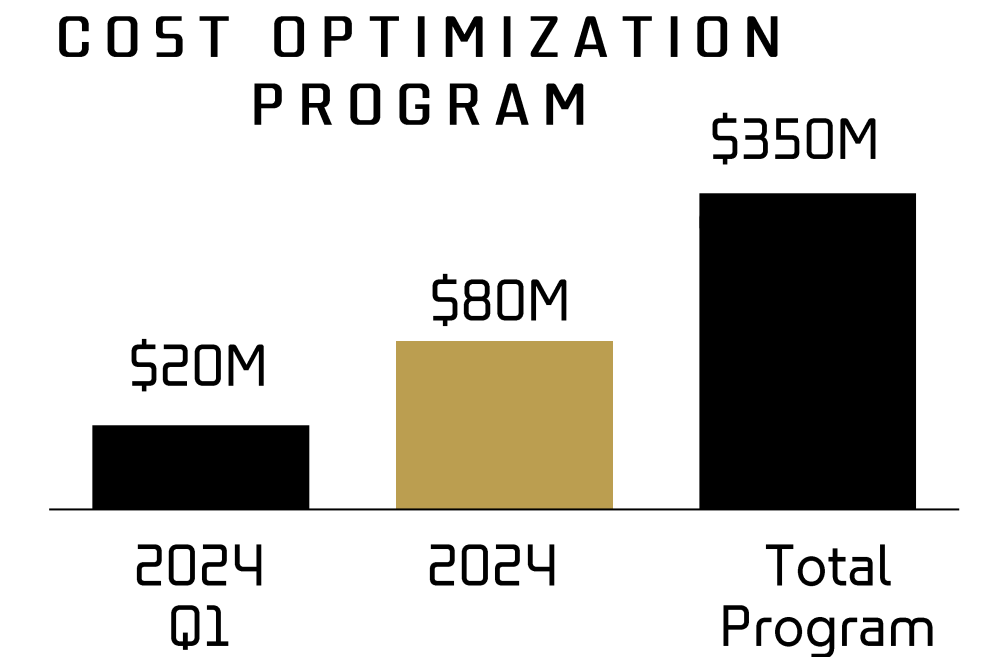
Expand Sneaker Culture

Increase our array of brands to expand sneaker culture



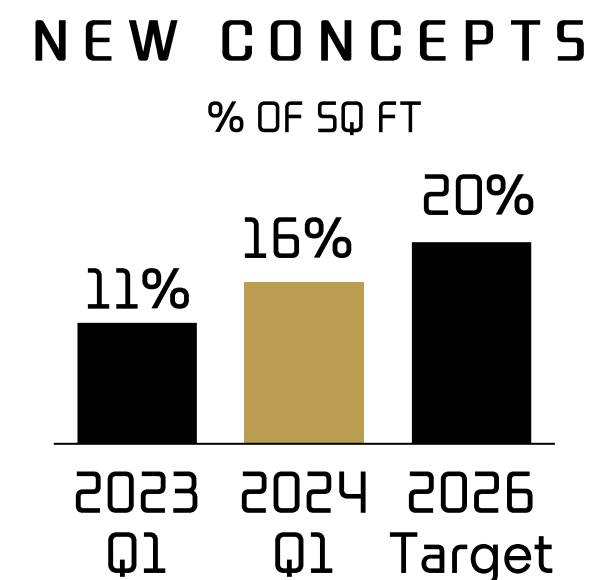
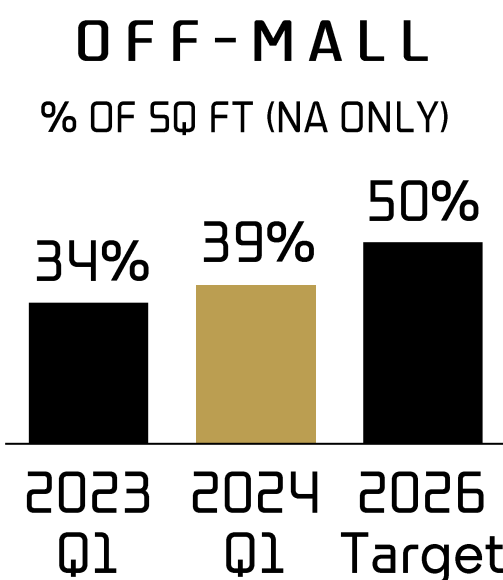
Create Value for All Stakeholders

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



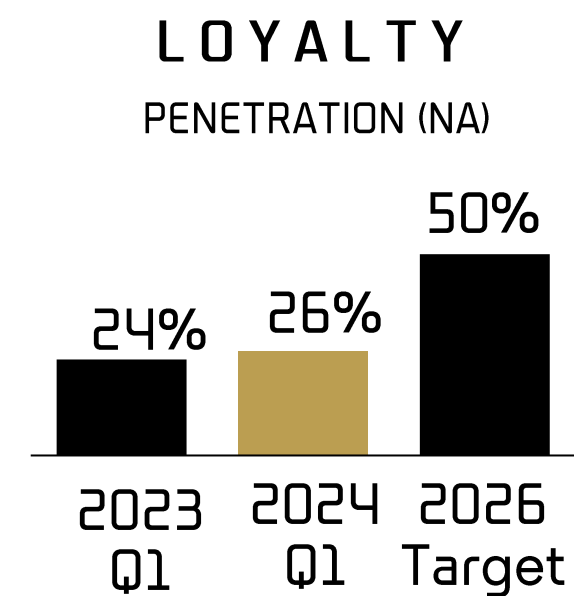
Power Up Our Portfolio

Transform our store footprint through new concepts and footprint optimization



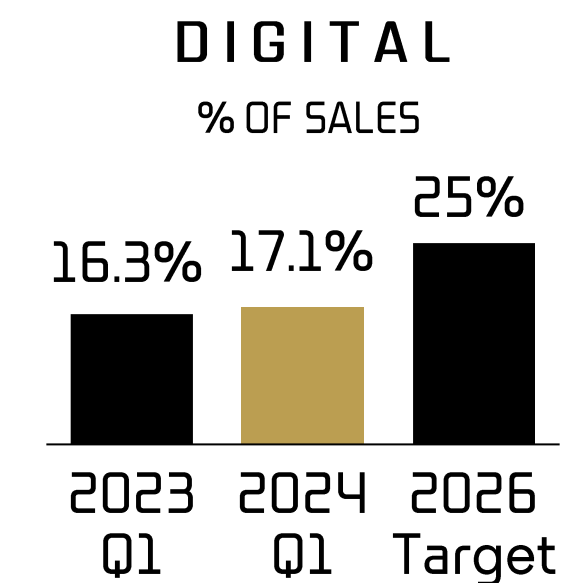
Deepen Our Relationship with Customers

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



Willowbrook Mall Reinvented Retail Format



The Heart



Kick It Club



Storefront



Women's Perimeter



Men's Perimeter



Sneaker Hub



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 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

CHAMPS
SPORTS

Serve the active athlete

WSS

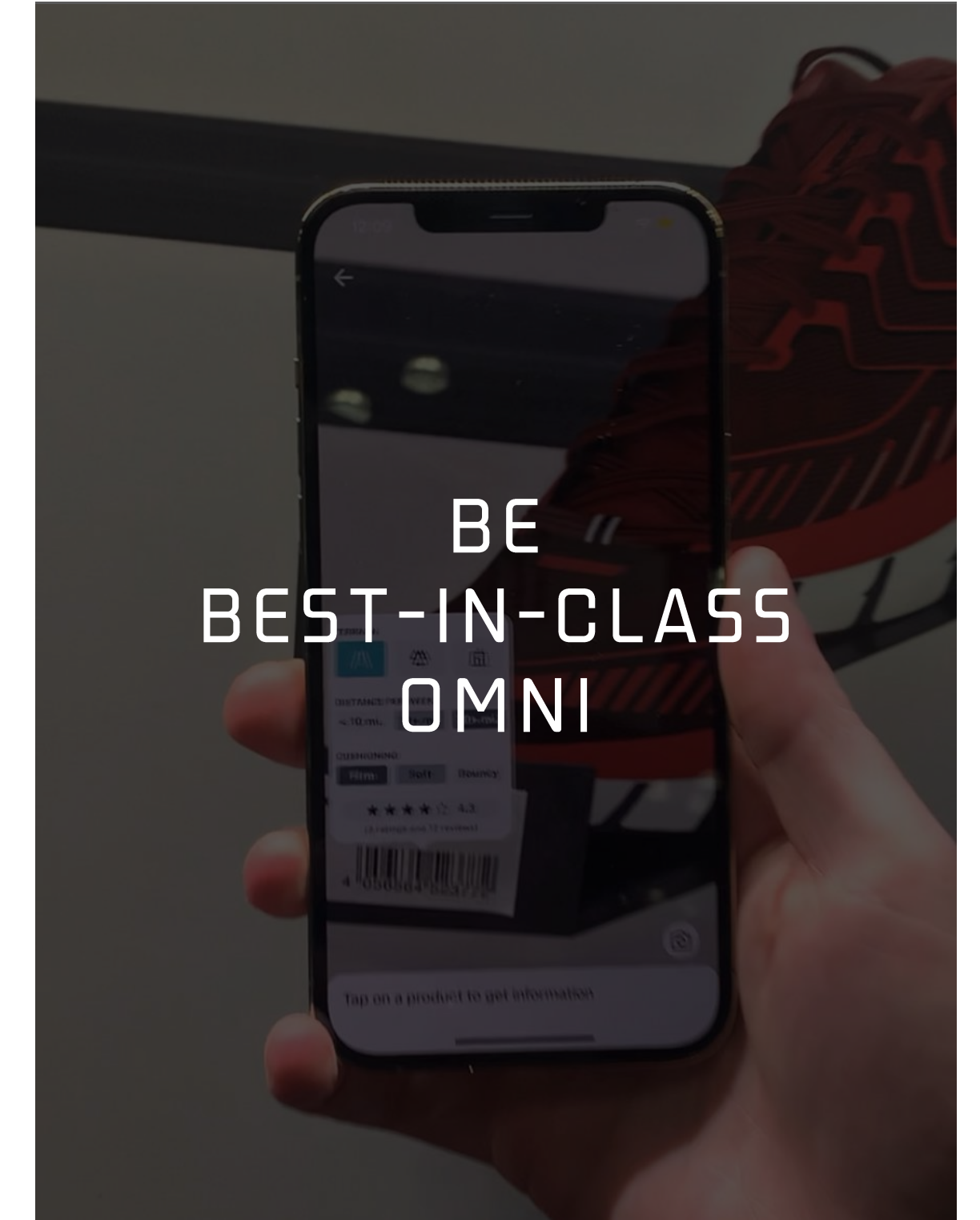
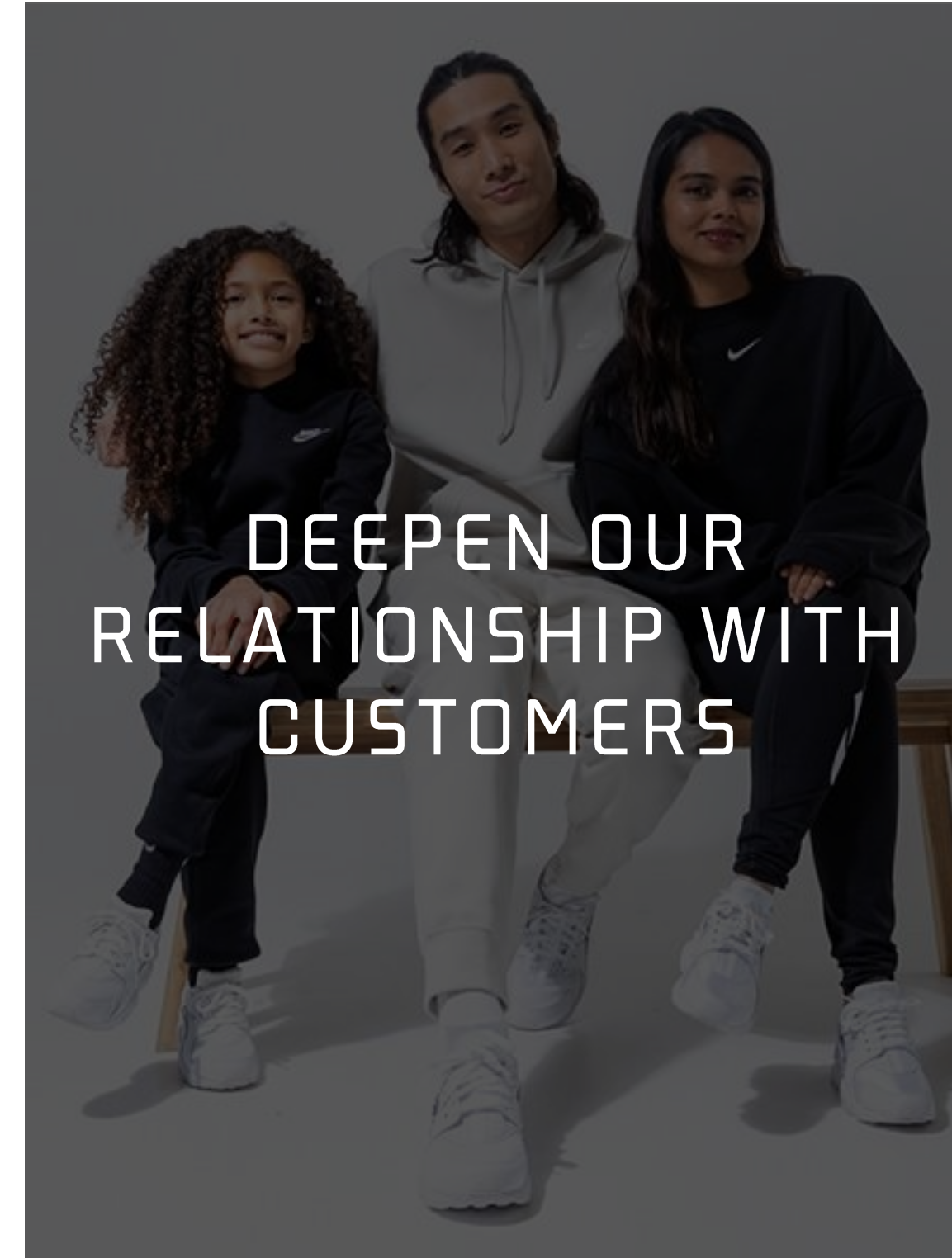
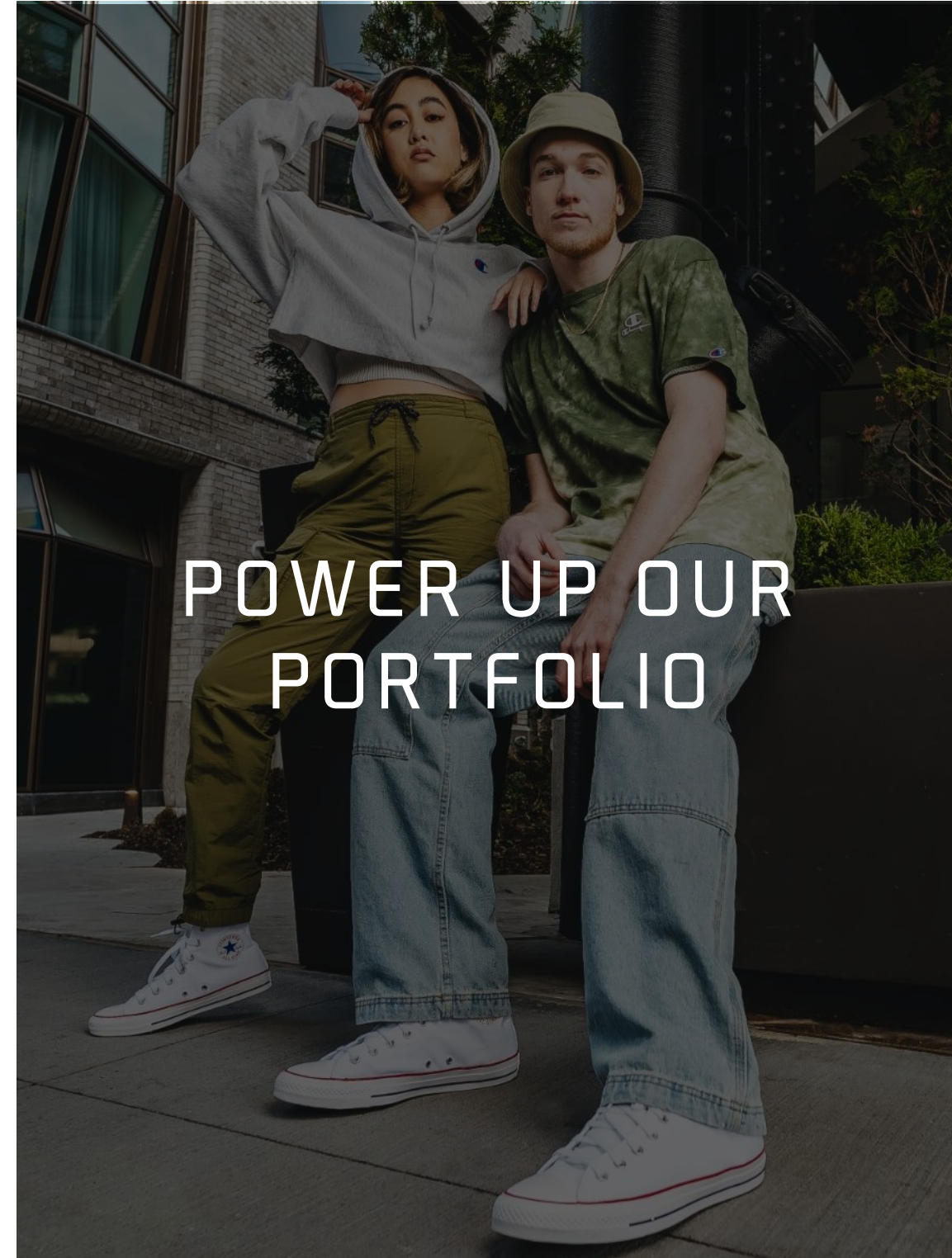
Celebrate the Hispanic community

atmos

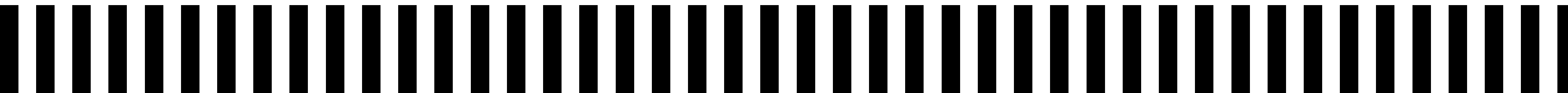
Share Japanese street and sneaker culture

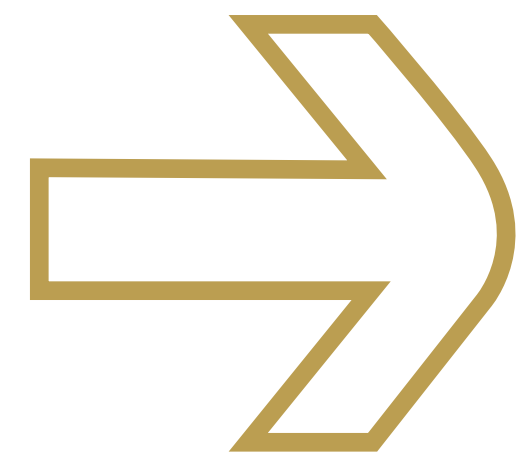
FOOT LOCKER, INC.

Our Lace Up Plan

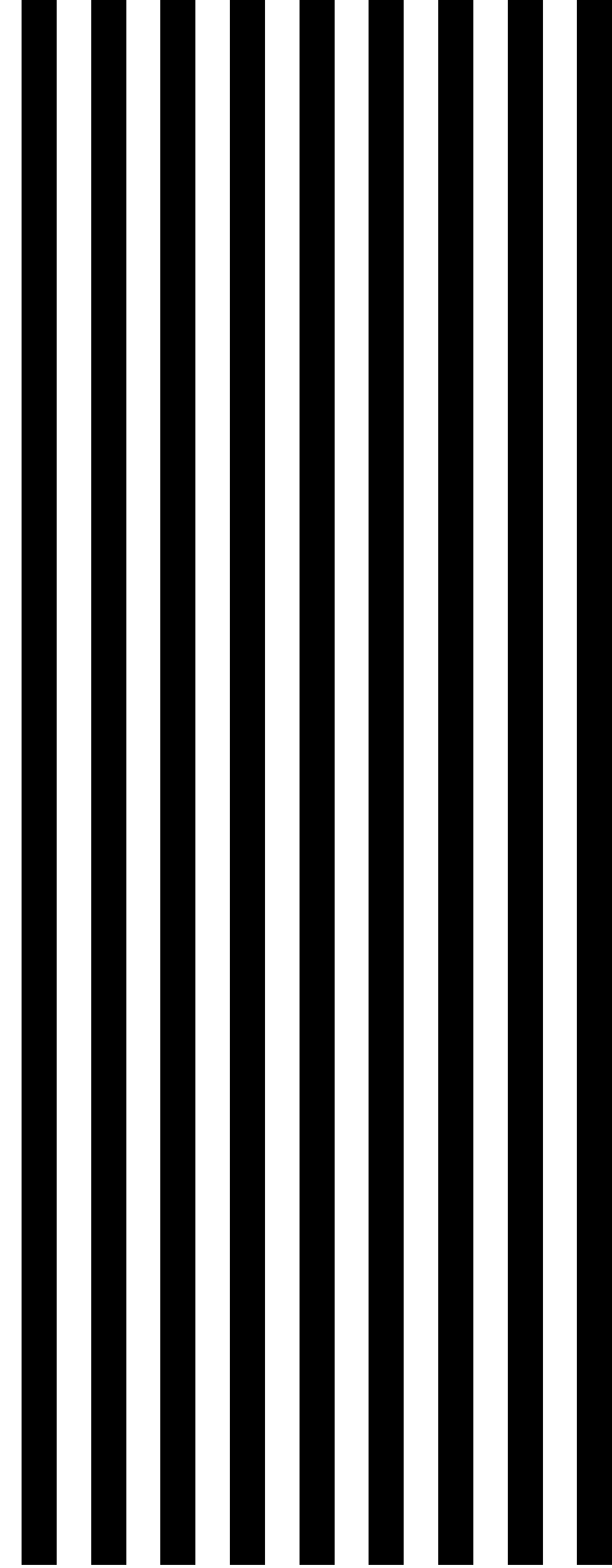


CREATE VALUE FOR ALL STAKEHOLDERS (CUSTOMERS, BRAND PARTNERS, COMMUNITY, TEAM MEMBERS, & INVESTORS)





APPENDIX



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

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 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.