APRIL 6, 2016

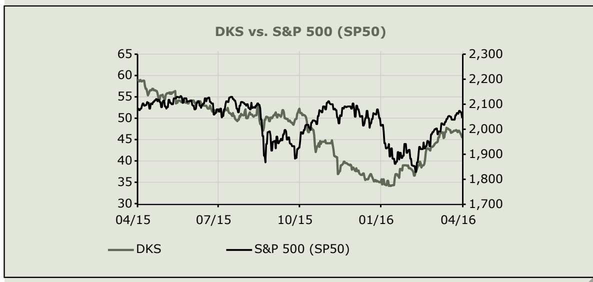
DKS - $45.49 **OUTPERFORM**

Price Target (Current) $54.00

Price Target (Previous) Same

Market Statistics	04/05/2016
Market Capitalization ($MM):	$5,228.2
Enterprise Value (MM):	$5,115.0
Shares Outstanding (MM):	90.1
Avg. Daily Trading Volume (Shrs, 000s):	2,339.5
Short Interest/Float:	7.0%
Insider Ownership (% of Total Shrs Out):	7.3%
Dividend Yield:	1.3%
Stock Exchange:	NYSE

Price Performance	04/05/2016
52-Week Range:	$33.42 - $60.33
YTD % Change:	28.6%
YTD % Change Relative to Index:	31.3%
Implied Return to Price Target:	16.3%



Valuation Metrics (FYE Jan)	2014	2015	2016E
P/E Ratio	16.2x	16.2x	15.8x
PEG Ratio (using 5-Yr GR)	2.0x	1.6x	-
EV/Sales	0.8x	0.8x	0.7x
EV/EBITDA	7.4x	7.4x	6.8x
FCF Yield (using EV)	6.1%	6.5%	2.7%
Book Value/Share	15.11	15.32	17.08

Balance Sheet and Growth Metrics	2014	2015	2016E
Debt/Capitalization	0.0%	0.0%	0.0%
Debt/EBITDA	0.0x	0.0x	0.0x
Adjusted Debt/EBITDAR	2.8x	2.8x	3.2x
ROIC	13.9%	13.3%	13.0%
5-Year Long Term EPS Growth Rate	8.1%	10.4%	-

Same-Store Sales			EPS (Operating)		
Period	**Current**	***Previous***	**Period**	**Current**	***Previous***
1Q14	1.5%	-	1Q14	$0.50	-
2Q14	3.2%	-	2Q14	$0.67	-
3Q14	1.1%	-	3Q14	$0.41	-
4Q14	3.4%	-	4Q14	$1.30	-
2014	2.4%	-	2014	$2.87	-
1Q15	1.0%	-	1Q15	$0.53	-
2Q15	1.2%	-	2Q15	$0.77	-
3Q15	0.4%	-	3Q15	$0.45	-
4Q15	(2.5)%	-	4Q15	$1.13	-
2015	(0.2)%	-	2015	$2.87	-
1Q16E	0.4%	-	1Q16E	$0.49	-
2Q16E	0.4%	-	2Q16E	$0.77	-
3Q16E	1.3%	-	3Q16E	$0.41	-
4Q16E	3.2%	-	4Q16E	$1.28	-
2016E	1.5%	-	2016E	$2.95	-

Source: FactSet, company reports, and TAG estimates.

Joseph Feldman
212.584.4605 / jfeldman@telseygroup.com

Cristina Fernández, CPA
212.584.4612 / cfernandez@telseygroup.com

Sarang Vora, CFA
212-660-5436 / svora@telseygroup.com

DICK'S SPORTING GOODS, INC.

Highlights from Visit with DKS Management

On Tuesday, April 5, we hosted investor meetings with CFO Teri List-Stoll, SVP of Finance Joe Oliver, VP of Treasury Services and Investor Relations Anne-Marie Megela and Director of Investor Relations Nate Gilch at the company's headquarters in Pittsburgh, PA. We also toured a nearby Dick's Sporting Goods store that had been outfitted with the new footwear deck.

TAG View: Our meeting with Dick's Sporting Goods reinforced our belief that there is likely upside to the 2016 guidance, given that no benefit from The Sports Authority (TSA) store closures has been baked into the outlook. We also remain confident in the 2017 EPS mid-teens growth guidance as Dick's should lap the 2016 incremental strategic investments of $50MM-55MM. Benefits from these investments, combined with stable industry trends, transitioned ownership of the website from GSI, an upgraded supply chain network, and an enhanced in-store experience should drive results. Our 12-month price target of $54 is based on applying a P/E multiple of ~16x to our 2017 EPS estimate of $3.40, which reflects more normalized earnings.

Highlights from Management Meeting

Consumer and Industry Trends: Dick's Sporting Goods believes the sporting goods sector can continue to grow as sports participation is increasing and consumers specialize further in sports, which leads to sales of more premium product. The industry has become more competitive, with greater distribution online and at retail, but this is supported by greater customer demand. Dick's Sporting Goods is in an advantageous position relative to other retailers, such as department stores, as it tends to receive premium product from its vendors.

The Sports Authority Bankruptcy Impact: While the company would not share new information on its view of the impact of the TSA bankruptcy, management reminded us that all the negatives—disruption from TSA closing sales and investments in marketing and additional labor to acquire TSA customers in key locations—is included in the 2016 guidance. However, the future benefit from market share gains is not included in the guidance, nor has the company sized the potential. Recall, we attempted to do so in our March 14 report titled *Evaluating Benefits to DKS from TSA Closings - Raising PT by $4 to $54.* In our report, we estimated that Dick's could see a sales lift of 120 bps and EPS boost of ~$0.07 from the initial 143 TSA store closings.

E-commerce Opportunity in 2017 and Beyond: Dick's Sporting Goods should start to realize the benefits of taking full ownership of its e-commerce operations in 2017, following several years of investment, including an incremental $20MM-$25MM in 2016, to prepare for the January 2017 transfer from GSI, which currently manages the company's e-commerce business. Taking over full control from GSI should generate ~30 bps of operating margin improvement in 2017. We believe there should be upside to that guidance over time as the company enhances its online operations and eventually brings fulfillment in-house from a new third-party distributor (more profitable arrangement than with GSI). In 2017, items bought online and picked up in a store (not fully rolled out yet) will no longer share a portion of the sale with GSI. Moreover, Dick's will no longer have to pay GSI to host its website, process payments (the company's private label credit card is currently not accepted as a form of tender), and fulfill and ship orders. We are enthused about the potential for Dick's to enhance sales and profit when it reclaims full ownership of its website.

Continued on pages 2-3

HIGHLIGHTS FROM MANAGEMENT VISIT

LT Outlook for Store Openings: Dick's Sporting Goods reminded us of its intention to open ~50 total stores per year for the foreseeable future and that its long-term core Dick's store target remains ~1,100 stores vs. 644 at the end of 2015. The company has high hurdle rates for new stores and noted that it is doing a lot of work on better understanding the long-term total store potential for the core Dick's stores and Field & Stream stores. Management noted that it does not believe it is close to its target yet. As for Field & Stream, the company seems to like the combined model, where it attaches a 40,000 sq. ft. Field & Stream box to a 50,000 sq. ft. Dick's box.

Women's Remains a Large Opportunity. Apparel continues to grow at a fast pace and in 2015 accounted for 35% of sales. Within the category, women's is likely the largest opportunity for growth over the next few years. In recent years, there has been a shift to more women buying athletic apparel for themselves, as opposed to for their kids. Dick's core consumer is an athlete that is more focused on performance than fashion, but the company sees an opportunity to further add fashion to its assortment as there is a segment of women that places higher emphasis on this feature. Its private label brand CALIA by Carrie Underwood is one that aims to capitalize on this trend. Reception to the brand has been strong and it will be further expanded to swimwear this summer. Relative to other private label brands at Dick’s Sporting Goods, CALIA has higher price points as it fits into the better/best portion of the pricing spectrum. However, the collection is still a good value with price points slightly below those of Nike and Under Armour and well below lululemon. Including CALIA, private label brands account for a LDD percent of total company sales.

Store Tour and Footwear Deck Remodels. Dick's Sporting Goods is spending $15MM-$20MM to remodel the footwear department at 150 of its top stores by the 2016 back to school season. Currently, there is no plan to expand the footwear deck to the entire store base given the investment required. We had the opportunity to visit a newly remodeled footwear area at a store in Pittsburgh, PA. Although the actual square footage dedicated to the category is the same or smaller than before, visually the area appears larger as it is more open. As can be seen from the pictures below, the assortment is divided into youth, basketball, lifestyle and running. Furthermore, within running it is featured by ride—natural, fast and easy—more inline with what is seen at a specialty athletic footwear store. From a product standpoint, Dick's will offer a wider assortment of Nike footwear (Nike had provided funding) and more lifestyle brands, such as Converse. Converse will actually be on 350 stores by the 2016 back-to-school season. A big difference compared to the prior shared footwear model is the training the store associates are receiving to assist consumers with their purchases. Technology has also been upgraded as associates have a handheld device which they can use to check inventory availability and place an order if the item is not available in the store. The sales associates will also not have to leave the customer to check on inventory as a stockroom employee will bring the merchandise to the floor.

FOOTWEAR REMODEL

Source: TAG Research.

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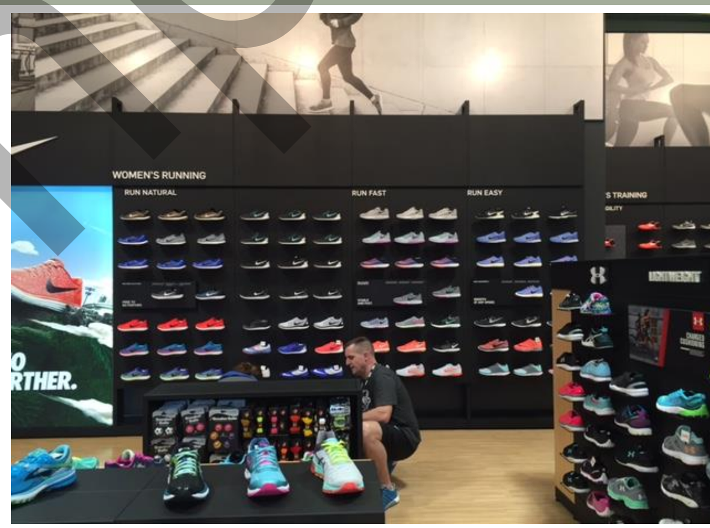
FOOTWEAR REMODEL



Source: TAG Research..

ADDENDUM
Important Disclosures:

Valuation Method for Target Price: Price-to-Earnings, enterprise-value-to-EBITDA, P/E to growth, price to free cash flow, and discounted cash flow analysis.

Investment Risks: Telsey Advisory Group's (TAG's) equity research department covers consumer-focused sectors including advertising, apparel manufacturers, children's and teen retailers, consumer electronics retailers, cosmetics, department stores, discounters, footwear, gaming and lodging, home furnishings retailers, home improvement retailers, luxury goods, office supply retailers, off-price retailers, pay TV companies, restaurants, specialty apparel retailers, sporting goods retailers, and supermarkets. Risks across or specific to one or more of these sectors include volatility of commodity costs, consumer spending, currency, rising interest rates, weaker consumer confidence and unemployment rates. Additionally, access to capital, supply chain disruptions, commodity costs, private label distribution, currency, geopolitical uncertainly, unfavorable government regulations, lack of appropriate real estate sites, and the use of the World Wide Web to sell merchandise represent unique industry risks.

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Company Specific Disclosures

Dick's Sporting Goods, Inc. Rating History as of 04/05/2016

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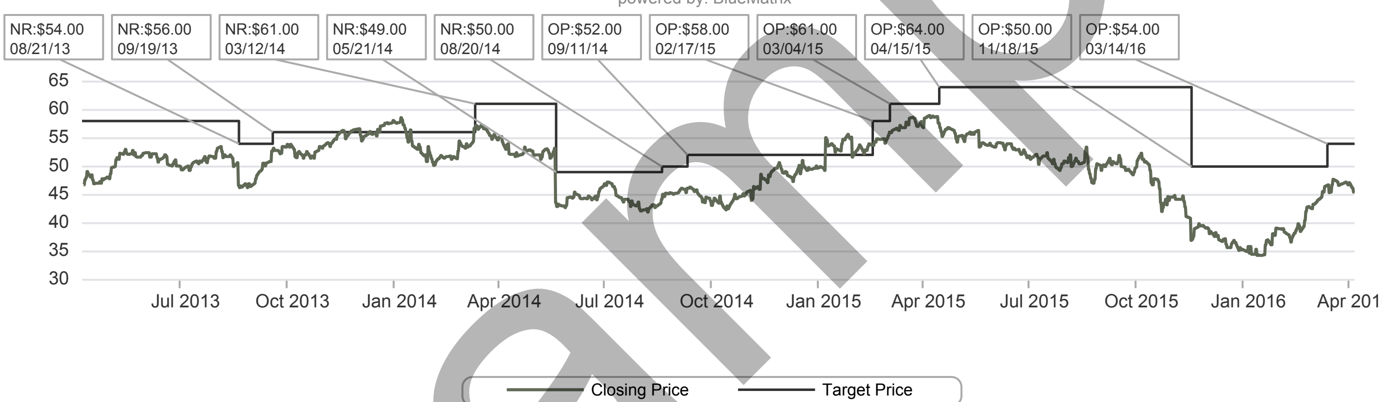

On September 16, 2012 TAG completed a transition from price target ranges to specific price targets. All price target changes prior to September 16, 2012, are displayed as price target averages.

* Telsey with ratings are effective as of 09/11/14

Ratings Distribution & Investment Banking Disclosure

Rating	Count	Ratings Distribution	Count	*Investment Banking
OUTPERFORM	**67**	**48.91%**	**1**	**1.49%**
MARKET PERFORM	**65**	**47.45%**	**1**	**1.54%**
UNDERPERFORM	**5**	**3.65%**	**0**	**0.00%**

On 09-11-2014 TAG launched a three-tiered rating system of Outperform, Market Perform, and Underperform to evaluate its stocks under coverage. Price targets continue to be used in conjunction with the new rating system.

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Our recommendation system is based on a stock's expected total return relative to the industry universe over the next 12 months.

We divide stocks under coverage into three categories, each defined by a prospective rate of return:

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Market Perform – the stock is expected to perform in line with the average total return of the industry universe over the next 12 months.

Underperform – the stock is expected to underperform the average total return of the industry universe over the next 12 months.

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