

COMPREHENSIVE EXAM:
FOOT LOCKER
BUSINESS MEDIA ANALYSIS

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In May 2025, Dick's Sporting Goods made a bold move announcing a merger agreement with Foot Locker Inc. at a value of approximately \$2.4 billion. After closing the deal in September 2025, Dick's now operates the full portfolio of Foot Locker brands including Foot Locker, Kids Foot Locker, Champs Sports, WSS and Atmos making it one of the largest sports retail enterprises. Under the leadership of Executive Chairman Ed Stack who oversees the global Foot Locker businesses, the goal is to salvage Foot Locker companies and boost sales under the direction of a new business model and infrastructure. Dick's is aiming to expand their consumer base to urban markets and strengthen relationships with vendors.

In a CNBC interview, Stack mentioned their first approach as a “clean out the garage” method—to rid of obsolete inventory and closedown stores overtime that do not have strong foot traffic to get a return in revenue. While this is taking place, stores that remain will have a change in physical layouts to test consumer behavior. Dick's is using their merchandising expertise to bring in new innovative product including apparel, a more polished look, and stronger performance.

In the business and financial world, several outlets responded with their sentiments. Multiple outlets including Forbes, WWD and CNBC echoed similar concerns around integrating the two companies and there being a “not-so-great” track record of retailers merging due to the smaller companies still struggling to get out of financial hardship. Wall Street UBS Analyst, Michael Lasser supported his claims by saying that there is a long list of retailers that were not successful attempting to bridge systems, cultures, and models (Forbes, 2025).

However, Yahoo Finance via Simply Wall St mentioned that Dick's Sporting Goods is “back on investors' radar” due to recent share performance. While there has been recent decline, investors have raised curiosity around the projected revenue profile and margin paths. Simply Wall stated, “While the popular narrative sees DSG as about 12.3% undervalued at \$207.67, our DCF tells a different story.” Simply Wall mentioned there is an estimated value of future cash flow sitting near \$69.73 per share

implying that is well above today. Dick's is now being studied to see what may work better—cash flow or the current narrative since the initial announcement.

Moreover, Jefferies analyst Jonathan Matuszewski shared from global perspective, that combining Foot Locker to DSG's portfolio will increase sales by 12% (NBC News, 2025).

S&P Global Market Intelligence (2025) projects a 27% revenue jump for Dick's in 2026 directly tied to the Foot Locker integration, lending a data-driven endorsement to the deal's financial logic. The report pointed to procurement synergies and improved sourcing efficiencies as drivers of long-term margin improvement. This has served as an indication that institutional analysts see real financial merit by 2027.

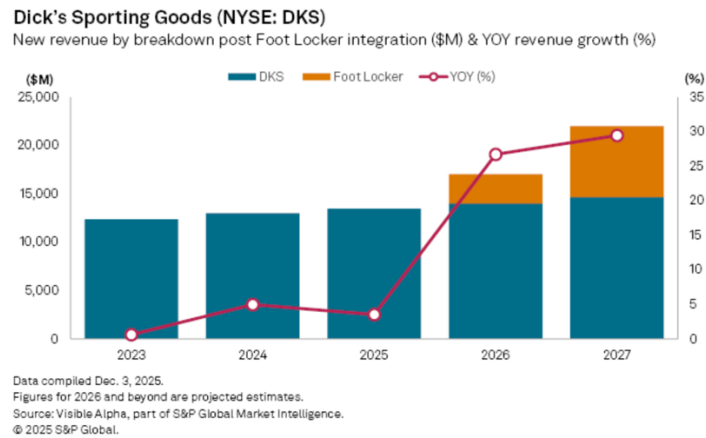


Figure 1. S&P Global Market Intelligence

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“Dick's Sporting Goods executive chairman on Foot Locker: We're confident we can turn it around”

YouTube, uploaded by CNBC, December, 2025, <https://www.youtube.com/watch?v=QYtaRiwvPwE>