Risk Factors Comparison 2023-05-18 to 2022-05-12 Form: 10-K

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You should carefully consider the risks and uncertainties described below, together with all of the other information in this annual report, including our consolidated financial statements, and related notes included elsewhere in this annual report. If any of the following risks were realized, our business, financial condition, results of operations and prospects could be materially and adversely affected. In that event, the price of our common stock could decline, and you could lose part or all of your investment. Risks Related ~~To~~ **to** Our Business Our sales could be severely impacted by decreases in consumer spending due to declines in consumer confidence, local economic conditions in our markets or changes in consumer preferences. We depend upon consumers feeling confident about spending discretionary income on our products to drive our sales. Consumer spending may be adversely impacted by economic conditions, such as consumer confidence in future economic conditions, interest and tax rates, inflation (which has occurred over the past twelve months and is continuing), employment levels, salary and wage levels, the availability of consumer credit, the level of housing, energy and food costs, general business conditions and other challenges affecting the global economy including the ~~ongoing~~ COVID- 19 pandemic. These risks may be exacerbated for retailers like us who focus on specialty footwear, apparel and accessories. Our financial performance is particularly susceptible to economic and other conditions in California, Texas and other states where we have a significant number of stores. Many of our stores operate in geographic areas where the local economies depend to a significant degree on oil and other commodity extraction, and many of our customers are employed in these industries. Our financial performance is accordingly susceptible to economic and other conditions relating to output and employment in these areas. Our financial performance also is impacted by conditions in the construction sector, domestic manufacturing and the transportation and warehouse sectors, the growth of which we believe is an important driver of our work wear business. In addition, our financial performance may be negatively affected if the popularity of the western and country lifestyle subsides, or if there is a general trend in consumer preferences away from boots and other western or country products in favor of another general category of footwear or attire. If this were to occur or if periods of decreased consumer spending persist, our sales could decrease, which could have a material adverse effect on our business, financial condition, results of operations and prospects. In addition, difficult economic conditions may exacerbate some of the other risks described in this Item 1A. Risk Factors, including those risks associated with increased competition, decreases in store traffic, brand reputation, the interruption of the production and flow of merchandise, the ability to achieve our growth strategies, and the ability to improve and expand our exclusive product offering. These risks could be exacerbated individually or collectively. ~~The ongoing COVID- 19 pandemic may continue to adversely affect our business operations, growth strategies, store traffic, employee availability, financial condition, liquidity and cash flow for an extended period of time. The ongoing COVID- 19 pandemic has adversely affected our business and may continue to adversely affect our business for an indefinite period until the impact of the pandemic subsides. Since first being reported, COVID- 19 has spread to numerous countries around the world, including the U. S. Measures taken by governmental authorities to reduce the transmission of COVID- 19, including stay- at- home orders and business closures, as well as lack of subsequent economic stimulus initiatives, have resulted in wide- scale unemployment and financial hardship for a large portion of the U. S. population, and these impacts, among others, have created significant uncertainties. These uncertainties include, but are not limited to, the potential adverse effect of the pandemic on the economy, our supply chain partners, our employees and customers, customer sentiment in general, and traffic within our stores and on our e- commerce sites. As a result of the economic slowdown caused by COVID- 19, many industries and public and private sector jobs have been and may continue to be impacted, including but not limited to those in the construction, domestic manufacturing, energy, food and agriculture, transportation and warehouse sectors. Consumer fear about becoming ill with the virus and recommendations and / or mandates from federal, state and local authorities to avoid large gatherings of people or self- quarantine may continue or may increase, which has already affected, and may continue to affect, traffic to our stores. If as a result of the pandemic, we are unable to continue to provide employees with appropriate compensation and protective measures, we may be unable to retain or attract employees to perform necessary functions within our stores and engage with our customers. In addition, if we are required to transition certain or all our employees to a remote work environment in an effort to mitigate the spread of COVID- 19, our failure to provide appropriate technological resources and maintain adequate safeguards around our remote work environment could result in loss of productivity and usage errors by our employees or the loss or compromise of confidential customer, employee or company data. In addition, the remote work environment may increase certain risks to our business, including phishing and other cybersecurity attacks. Although our operations have generally stabilized since the onset of the pandemic, there can be no assurances that the spread of COVID- 19 will not strain our supply chain, store operations and merchandising functions in the future. This could create difficulties and delays in obtaining products from our distributors, delivering products to our stores and adequately staffing our stores and distribution centers. If we are unable to continue to source, transport and stock products in our stores or to maintain adequate staffing levels in our stores and distribution centers due to disruptions caused by the COVID- 19 pandemic, we will be unable to maintain inventory levels and continue to operate our stores at levels to meet customer demand. Further, if we do not identify and source appropriate products in response to our customers' evolving needs during the COVID- 19 pandemic, we may lose existing customers and fail to attract new customers, which could cause our sales to decrease, resulting in a material adverse effect on our business, financial condition, results of operations and cash flows. All of our stores remained open as of March 26, 2022. We have experienced instances of our employees contracting COVID- 19, and in response we follow CDC and other health authority guidelines to report positive test results and reduce further transmission. Although our stores currently remain~~

~~open, any widespread transmission of COVID- 19 among our employees within a particular store or geographical area might necessitate that we temporarily close certain stores, which may negatively affect our business and financial condition, as well as the perception of our company. Additionally, any widespread transmission of COVID- 19 among the employees in our distribution centers might necessitate the temporary closure of our facilities, resulting in product delivery delays and other logistical constraints. Further, if individuals believe they have contracted COVID- 19 in our stores or believe that we have not taken appropriate precautionary measures to reduce the transmission of COVID- 19, we may be subject to costly and time-consuming litigation. 17Continued impacts of the pandemic could have a material adverse effect on our near- term and long-term business operations, store traffic, employee availability, financial condition, liquidity and cash flow, and may require significant actions in response, including but not limited to, additional employee furloughs and / or layoffs, reduced store hours or additional store closings, expense reductions, discounting of pricing of our products, all in an effort to mitigate the impacts of the pandemic. The full extent to which the COVID- 19 pandemic impacts our business and financial condition will largely depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the pandemic, the impacts of new variants of the virus, the timing, distribution, efficacy and public acceptance of vaccines and other treatments for COVID- 19 and the actions necessary to contain COVID- 19.~~ Our business largely depends on a strong brand image, and if we are unable to maintain and enhance our brand image, particularly in markets where we have newly acquired stores and in new markets where we have limited brand recognition, we may be unable to increase or maintain our level of sales. We believe that our brand image and brand awareness have contributed significantly to the success of our business. We also believe that maintaining and enhancing our brand image, particularly in markets where we have newly acquired stores and in new markets where we have limited brand recognition, is important to maintaining and expanding our customer base. Our ability to successfully integrate newly acquired and newly opened stores into their surrounding communities, to expand into new markets or to maintain the strength and distinctiveness of our brand image in our existing markets will be adversely impacted if we fail to connect with our target customers. Our efforts to rebrand newly acquired stores could result in reduced sales and profitability of such stores. Maintaining and enhancing our brand image may require us to make substantial investments in areas such as merchandising, marketing, store operations, community relations, store graphics and employee training, which could adversely affect our cash flow and which may ultimately be unsuccessful. Furthermore, our brand image could be jeopardized if we fail to maintain high standards for merchandise quality, if we fail to comply with local laws and regulations or if we experience negative publicity or other negative events that affect our image and reputation. Some of these risks may be beyond our ability to control, such as the effects of negative publicity regarding our suppliers. Failure to successfully market and maintain our brand image in new and existing markets could harm our business, results of operations and financial condition. Most of our merchandise is produced in foreign countries, making the price and availability of our merchandise susceptible to international trade risks and other international conditions, including **supply chain disruptions** ~~the impacts of COVID- 19~~ or geopolitical conditions including the **ongoing** ~~rapidly evolving~~ conflict between Russia and the Ukraine. The majority of our exclusive brand products are manufactured in foreign countries, including Mexico and China. In addition, we purchase most of our third- party branded merchandise from domestic suppliers that have a large portion of their merchandise made in foreign countries. The countries, specifically Mexico and China, in which our merchandise currently is manufactured or may be manufactured in the future could become subject to trade restrictions imposed by the U. S., including increased tariffs or quotas, embargoes and customs restrictions, which could increase the cost or reduce the supply of products available to us and have a material adverse effect on our business, financial condition and results of operations. Any tariffs on imports from foreign countries, as well as changes in tax and trade policies such as a border adjustment tax or disallowance of certain tax deductions for imported merchandise could materially increase our manufacturing costs, the costs of our imported merchandise or our income tax expense, which would have a material adverse effect on our financial condition and results of operations. Any tariffs by China or other foreign countries on imports of our products could also adversely affect our international e- commerce sales. Any increase in our manufacturing costs, the cost of our merchandise or limitation on the amount of merchandise we are able to purchase, or any decrease in our international e- commerce sales, could have a material adverse effect on our financial condition and results of operations. Additionally, public health issues affecting China, Mexico or another foreign country from which a large portion of our third- party and exclusive brand merchandise is purchased and imported, ~~including the ongoing COVID- 19 pandemic,~~ may result in the temporary closure of our suppliers' facilities or shipping ports, resulting in product delivery delays ~~. For example, COVID- 19 has led to work and travel restrictions in and out of China and other countries around the world as well as temporary closures or production and logistical constraints due to workforce availability of certain 18factories in China~~ . These travel restrictions, factory closures and production and logistical constraints may result in, among other things, delayed shipments and increased shipping costs. These impacts on our supply chain could have a material adverse effect on our financial condition and results of operations. Furthermore, in response to the **ongoing** ~~rapidly developing~~ conflict between Russia and Ukraine, the United States has imposed and may further impose, and other countries may additionally impose, broad sanctions or other restrictive actions against governmental and other entities in Russia or other associated countries. While the existing sanctions do not materially impact our business or operations, additional sanctions may be imposed in the future that could impact our supply chain. Additionally, further escalation of geopolitical tensions could have a broader impact that extends into other markets where we do business. These impacts could have a material adverse effect on our financial condition and results of operations. We face intense competition in our industry and we may be unable to compete effectively. The retail industry for western and work wear is highly fragmented and characterized by primarily regional competitors. We estimate that there are thousands of independent specialty stores scattered across the country. We believe that we compete primarily with smaller regional chains and independent stores on the basis of product quality, brand recognition, price, customer service and the ability to identify and satisfy consumer demand. In addition, as we expand our e- commerce sales presence and as a result of consumers' growing desire to shop online, we are competing to an increasing degree with online retailers and the e- commerce offerings of traditional competitors. There can be no assurance that our e- commerce expansion initiatives will be successful. We also compete with farm supply stores and mass merchants. Competition with some or all of these retailers could require us to lower our prices or risk losing customers. In addition, significant or unusual promotional activities by our competitors may force us to respond in- kind and adversely impact our operating cash flow and gross profit. As a result of these factors, current and future competition could have a material adverse effect on our financial condition and results of operations. Many of the mass merchants and online retailers that sell some western or work wear products have greater financial, marketing and other resources than we currently do, and in the case of online retailers, lower overhead and overall cost structure. Therefore, these competitors may be able to devote greater resources to the marketing and sale of these products, generate national brand recognition or adopt more aggressive pricing policies than we can, which would put us at a competitive disadvantage if they decide to expand their offerings of these product lines. Moreover, we do not ~~possess~~ **17possess** exclusive rights to many of the elements that comprise our in- store experience and product offerings. Our competitors may seek to emulate facets of our business strategy, including our in- store experience, which could result in a reduction of some competitive advantages or special appeal that we might possess. In addition, most of our suppliers sell products to us on a non- exclusive basis. As a result, our current and future competitors may be able to duplicate or improve on some or all of the ~~in- store and e- commerce~~ product offerings that we believe are important in differentiating our stores, our e- commerce offerings and our customers' shopping experience. If our competitors were to duplicate or improve on some or all of our in- store experience, or our in- store and e- commerce product offerings, our competitive position and our business could suffer. Our failure to adapt to new challenges that arise when expanding into new geographic markets could adversely affect our ability to profitably operate those stores and maintain our brand image. Our expansion into new geographic markets could result in competitive, merchandising, distribution and other challenges that are different from those we encounter in the geographic markets in which we currently operate. In addition, to the extent that our store count increases, we may face risks associated with market saturation of our product offerings and locations. Our suppliers may also restrict their sales to us in new markets to the extent they are already saturating that market with their products through other retailers or their own stores. There can be no assurance that any newly opened stores will be received as well as, or achieve net sales or profitability levels comparable to those of, our existing stores in the time periods estimated by us, or at all. If our stores fail to achieve, or are unable to sustain, acceptable net sales and profitability levels, our business may be materially harmed, we may incur significant costs associated with closing those stores and our brand image may be negatively impacted. ~~19Our~~ -- **Our** continued growth depends upon successfully opening new stores as well as integrating any acquired stores, and our failure to successfully open new stores or integrate acquired stores could negatively affect our business and stock price. We have grown our store count rapidly in recent years, both organically and through strategic acquisitions of competing chains. Our ability to successfully open and operate new and acquired stores is subject to a variety of risks and uncertainties, such as: ● identifying suitable store locations, the availability of which is beyond our control; ● obtaining acceptable lease terms; ● sourcing sufficient levels of inventory; ● selecting the appropriate merchandise to appeal to our customers; ● hiring, training and retaining store employees; ● assimilating new store employees into our corporate culture; ● marketing the new stores' locations and product offerings effectively; ● avoiding construction delays and cost overruns in connection with the build out of new stores; ● avoiding other costs in opening new stores, such as rebranding acquired locations and environmental liabilities; ● managing and expanding our infrastructure to accommodate growth; and ● integrating the new and acquired stores with our existing buying, distribution and other support operations. ~~Our~~ **18Our** failure to successfully address these challenges could have a material adverse effect on our financial condition and results of operations. We opened ~~or acquired~~ **45 stores in fiscal 2023,** 28 stores in fiscal 2022, **and** 15 stores in fiscal 2021 ~~, and 20 stores in fiscal 2020~~. We plan to continue to open or acquire new stores in the coming years; however, there can be no assurance that we will open or acquire new stores in fiscal ~~2023~~ **2024** or thereafter, or that any such stores will be profitable. The expansion of our store base will place increased demands on our operational, managerial and administrative resources. These increased demands could cause us to operate our existing business less effectively, which in turn could cause the financial performance of our existing stores to deteriorate. In addition, we plan to open some new stores within existing markets. Some of these new stores may open close enough to our existing stores that a segment of customers will stop shopping at our existing stores and instead shop at the new stores, causing sales and profitability at those existing stores to decline. If this were to occur with a number of our stores, this could have a material adverse effect on our financial condition and results of operations. In addition to opening new stores, we may acquire and rebrand stores. Acquiring and integrating stores involves additional risks that could adversely affect our growth and results of operations. Newly acquired stores may be unprofitable and we may incur significant costs and expenses in connection with any acquisition including systems integration and costs relating to remerchandising and rebranding the acquired stores. Integrating newly acquired chains or individual stores may divert our senior management' s attention from our core business. Our ability to integrate newly acquired stores will depend on the successful expansion of our existing financial controls, distribution model, information systems, management and human resources and on attracting, training and retaining qualified employees. ~~20As~~ Any significant change in our distribution model could initially have an adverse impact on our cash flows and results of operations.Our suppliers ship ~~a portion~~ **less than half** of our in- store merchandise directly to our stores and a portion of our e- commerce merchandise to our e- commerce customers.In the future,as part of our long- term strategic planning,we may change our distribution model to increase the amount of merchandise that we self- distribute through a centralized distribution center ~~or centers~~ .Changing our distribution model to increase distributions from a centralized distribution center ~~or centers~~ to our stores and customers would initially involve significant capital expenditures,which would increase our borrowings and interest expense or temporarily reduce the rate at which we open new stores.In addition,if we are unable to successfully integrate a new distribution model into our operations in a timely manner,our supply chain could experience significant disruptions,which could reduce our sales and adversely impact our results of **operations.If** we expand our business, we may be unable to generate significant amounts of cash from operations.

As we expand our business, we will need significant amounts of cash from operations to pay our existing and future lease obligations, build out new store space, purchase inventory, pay personnel, and, if necessary, further invest in our infrastructure and facilities. We primarily rely on cash flow generated from existing stores and our e- commerce businesses to fund our current operations and our growth. It typically takes several months and a significant amount of cash to open a new store. For example, our new store model requires an average net cash investment of approximately $ 1. ~~2~~ **4** million. If we continue to open a large number of stores relatively close in time, the cost of these store openings and the cost of continuing operations could reduce our cash position. An increase in our net cash outflow for new stores could adversely affect our operations by reducing the amount of cash available to address other aspects of our business. We cannot assure you that any new stores that we open will become profitable in the anticipated time frame, or at all. We cannot assure you that our existing stores, which may be currently profitable, will not cease to be profitable in the future. If our business does not generate sufficient cash flow from operations to fund these activities, and sufficient funds are not otherwise available from our current credit facility or future credit facilities, we may need additional equity or debt financing. If such financing is not available to us on satisfactory terms, our ability to operate and expand our business or to respond to competitive pressures would be limited and we could be required to delay, curtail or eliminate planned store openings. Moreover, if we raise additional capital by issuing equity securities or securities convertible into equity securities, your ownership may be diluted. Any debt financing we may incur may impose covenants that restrict our operations, and will require interest payments that would create additional cash demands and financial risk for us. **19If** Any significant change in our distribution model...... impact our results of operations. If we fail to maintain good relationships with our suppliers or if our suppliers are unable or unwilling to provide us with sufficient quantities of merchandise at acceptable prices, our business and operations may be adversely affected. Our business is largely dependent on continued good relationships with our suppliers, including suppliers for our third- party branded products and manufacturers for our exclusive brand products. During fiscal ~~2022~~ **2023** , merchandise purchased from our top three suppliers accounted for approximately ~~27~~ **24** % of our **consolidated** sales. We operate on a purchase order basis for our exclusive brand and third- party branded merchandise and do not have long- term written agreements with our suppliers. Accordingly, our suppliers can refuse to sell us merchandise, limit the type or quantity of merchandise that they sell to us, enter into exclusivity arrangements with our competitors or raise prices at any time, which could have an adverse impact on our business. Deterioration in our relationships with our suppliers could have a material adverse impact on our business, and there can be no assurance that we will be able to acquire desired merchandise in sufficient quantities on terms acceptable to us in the future. Also, some of our suppliers sell products directly from their own retail stores or e- commerce websites, and therefore directly compete with us. These suppliers may decide at some point in the future to discontinue supplying their merchandise to us, supply us less desirable merchandise or raise prices on the products they do sell us, including as a result of inflationary impacts **(which has been experienced over the last twelve months and is continuing)** . If we lose key suppliers and are unable to find alternative suppliers to provide us with substitute merchandise for lost products, our business may be adversely affected. ~~21Our~~ -- **Our** efforts to improve and expand our exclusive product offerings may be unsuccessful, and implementing these efforts may divert our operational, managerial, financial and administrative resources, which could harm our competitive position and reduce our revenue and profitability. We seek to grow our business by improving and expanding our exclusive product offerings, which includes introducing new brands and growing and expanding our existing brands. The principal risks to our ability to successfully improve and expand our product offering are that: ● introduction of new products may be delayed, which may allow our competitors to introduce similar products in a more timely fashion, which could hinder our ability to be viewed as the exclusive provider of certain western and work apparel brands and items; ● the third- party suppliers of our exclusive product offerings may not maintain adequate controls with respect to product specifications and quality, which may lead to costly corrective action and damage to our brand image; ● if our expanded exclusive product offerings fail to maintain and enhance our distinctive brand identity, our brand image may be diminished and our sales may decrease; and ● these efforts may divert our management' s attention from other aspects of our business and place a strain on our operational, managerial, financial and administrative resources, as well as our information systems. In addition, our ability to successfully improve and expand our exclusive product offerings may be affected by economic and competitive conditions, changes in consumer spending patterns and changes in consumer preferences ~~, including those resulting from the COVID- 19 pandemic~~ . These efforts could be abandoned, cost more than anticipated and divert resources from other areas of our business, any of which could impact our competitive position and reduce our revenue and profitability. A rise in the cost of fabric, raw materials, labor or transportation **due to inflation or otherwise** could increase our cost of merchandise and cause our results of operations and margins to decline. ~~Fluctuations~~ **Increases** in the price, **and fluctuations in the** availability and quality of fabrics and raw materials, such as cotton and leather, that our suppliers use to manufacture our products, as well as the cost of labor and transportation **, due to inflation or otherwise** , could have adverse impacts on our cost of merchandise and our ability to meet our customers' demands. In particular, because key components of our products are cotton and leather, any increases in the cost of cotton or leather may significantly affect the cost of our products and could have an adverse impact on our cost of merchandise. Inflation, which has been experienced over the last twelve months and is continuing, may cause or ~~exacerbate~~ **20exacerbate** these impacts. Additionally, due to competitive labor conditions, we have experienced increases in the cost of labor, which may continue into the future. We may be unable to pass all or any of these higher costs on to our customers, which could have a material adverse effect on our profitability. ~~22We~~ **We** purchase merchandise based on sales projections and our purchase of too much or too little inventory may adversely affect our overall profitability. We must actively manage our purchase of inventory. We generally order our seasonal and exclusive brand merchandise several months in advance of it being received and offered for sale. If there is a significant decrease in demand for these products, ~~including from the impact of COVID- 19,~~ or if we fail to accurately predict consumer demand, including by disproportionately increasing the penetration of our exclusive brand merchandise, we may be forced to rely on markdowns or promotional sales to dispose of excess inventory. This could have an adverse effect on our margins and operating income.

Conversely, if we fail to purchase a sufficient quantity of merchandise, we may not have an adequate supply of products to meet consumer demand, thereby causing us to lose sales or adversely affecting our customer relationships. Any failure on our part to anticipate, identify and respond effectively to changing consumer demand and consumer shopping preferences could adversely affect our results of operations . If our suppliers and manufacturers fail...... adverse effect on net sales and profitability . We are subject to payment- related risks that could increase our operating costs, expose us to fraud or theft, subject us to potential liability and potentially disrupt our business. We accept payments using a variety of methods, including cash, checks, credit and debit cards, including our private- label credit card and third- party credit and debit cards, gift cards, and pay- over- time and we may offer new payment options over time. Acceptance of these payment methods subjects us to rules, regulations, contractual obligations and compliance requirements, including payment network rules and operating guidelines, data security standards and certification requirements, and rules governing electronic funds transfers. These requirements may change over time or be reinterpreted, making compliance more difficult or costly. For certain payment methods, including credit and debit cards, we pay interchange and other fees, which may increase over time and raise our operating costs. We rely on third parties to provide payment processing services, including the processing of credit cards, debit cards, and other forms of electronic payment. If these companies become unable to provide these services to us, or if their systems are compromised, it could potentially disrupt our business. The payment methods that we offer also subject us to potential fraud and theft by criminals, who are becoming increasingly more sophisticated, seeking to obtain unauthorized access to or exploit weaknesses that may exist in the payment systems. If we fail to comply with applicable rules or requirements for the payment methods we accept, or if payment- related data is compromised due to a breach or misuse of data, we may be liable for costs incurred by payment card issuing banks and other third parties or subject to fines and higher transaction fees, or our ability to accept or facilitate certain types of payments may be impaired. In addition, our customers could lose confidence in certain payment types, which may result in a shift to other payment types or potential changes to our payment systems that may result in higher costs. As a result, our business and results of operations could be adversely affected. ~~26If~~ **If** our management information systems fail to operate or are unable to support our growth, our operations could be disrupted. We rely upon our management information systems in almost every aspect of our daily business operations. For example, our management information systems serve an integral part in enabling us to order merchandise, process merchandise at our distribution ~~center~~ **centers** and retail stores, perform and track sales transactions, manage personnel, pay suppliers and employees, operate our e- commerce businesses and report financial and accounting information to management. In addition, we rely on our management information systems to enable us to leverage our costs as we grow. If our management information systems fail to operate or are unable to support our growth, our store operations and e-commerce businesses could be severely disrupted, and we could be required to make significant additional expenditures to remediate any such failure. ~~We~~ **21We** rely on UPS and the United States Postal Service to deliver our e- commerce merchandise to our customers and our business could be negatively impacted by disruptions in the operations of these third- party service providers. We rely on UPS and the United States Postal Service to deliver our e- commerce merchandise to our customers. Relying on these third- party delivery services puts us at risk from disruptions in their operations, such as employee strikes, inclement weather, shutdowns or other delays ~~as a result of the COVID- 19 pandemic~~ and their inability to meet our shipping demands. If we are forced to use other delivery services, our costs could increase and we may be unable to meet shipment deadlines. Moreover, we may be unable to obtain terms as favorable as those received from the transportation providers we currently use, which would further increase our costs. In addition, if our products are not delivered to our customers on time, our customers may cancel their orders or we may lose business from these customers in the future. These circumstances may negatively impact our financial condition and results of operations. . ~~Changes~~ **If our suppliers and manufacturers fail to use acceptable labor or other practices,our reputation may be harmed,which could negatively impact our business.We purchase merchandise from independent third- party suppliers and manufacturers.If any of these suppliers have practices that are not legal or accepted** in ~~federal~~ **the U.S.,consumers may develop a negative view of us,our** ~~and~~ **brand** ~~state minimum wage laws~~ **image could be damaged** and **we could become the subject of boycotts by our customers or interest groups.Further,if the suppliers violate labor or** other laws ~~relating to employee benefits~~ **of their own country,these violations** could cause ~~us to incur additional wage and benefit costs~~ **disruptions or delays in their shipments of merchandise** .For example, **much of our merchandise is manufactured in China** ~~the federal government has considered raising the national minimum wage,~~ and **Mexico,which** ~~various states and local jurisdictions~~ have ~~sought to increase retail employee wages~~ **different labor practices than the U.S.We do not independently investigate whether our suppliers are operating in compliance with all applicable laws and therefore we rely upon the suppliers' representations set forth in our purchase orders and supplier agreements concerning the suppliers' compliance with such laws.In addition,regulatory developments regarding the use of " conflict minerals," certain minerals originating from the Democratic Republic of Congo and adjoining countries,could affect the sourcing and availability of raw materials used** by ~~raising minimum wage rates~~ **suppliers and subject us to costs associated with the regulations,including** ~~or~~ **for** ~~scheduling future increases~~ **the diligence pertaining to the presence of any conflict minerals used** in ~~such rates~~ **our products** , **possible changes to products,processes or sources of our inputs,and reporting requirements.If our goods are manufactured using illegal or unacceptable labor practices in these countries,or other countries from** which ~~may also cause wage rates above the minimum to increase in those markets.Increased labor costs brought about by changes in minimum wage laws,other regulations or~~ **our** ~~prevailing market conditions~~ **suppliers source the products we purchase** , ~~including highly competitive labor markets,would increase our expenses and have an adverse impact on our profitability,or~~ **our ability** ~~could negatively impact the quality of our workforce if we fail~~ to **supply merchandise** ~~increase our wages competitively.If we cannot attract,train and retain qualified employees,our business could be adversely affected.Our success depends upon the quality of the employees we hire.We recruit people who are welcoming,friendly and service- oriented,and who often live the western lifestyle or have a genuine affinity~~ for ~~it.Employees in many positions must have knowledge of~~ our ~~merchandise and the skill necessary to excel in~~

~~a customer service environment.The turnover rate in the retail industry is typically high and finding qualified candidates to fill positions may be difficult particularly in the current highly competitive labor markets.Our planned growth will require us to hire and train even more personnel.If we cannot attract,train and retain corporate employees,district managers,store~~ **stores** ~~managers~~ **without interruption,our** ~~and~~ **brand image** ~~store associates with the qualifications we deem necessary,our ability to effectively operate~~ and ~~expand~~ **,consequently,our sales** may be adversely affected. **If** ~~In addition,we rely on temporary and seasonal personnel to staff our distribution centers.We cannot guarantee that we will be able to find adequate temporary or seasonal personnel to staff our operations when needed,which may strain our existing personnel and negatively impact our operations.22If~~ we lose key management personnel,our operations could be negatively impacted.We depend upon the leadership and experience of our executive management team.If we are unable to retain existing management personnel who are critical to our success, ~~or effectively transition their responsibilities to other personnel (as in the case of departures such as the retirement of our Chief Operation Officer later this year),~~ it could result in harm to our supplier and employee relationships,the loss of key information,expertise or know- how and unanticipated recruitment and training costs.The loss of the services of any of our key management personnel could have a material adverse effect on our business and prospects,and could be viewed negatively by investors and analysts,which could cause the price of our common stock to decline.We may be unable to find qualified individuals to replace key management personnel on a timely basis ~~,or effectively transition their responsibilities to others~~ ,without incurring increased costs or at all.We do not maintain key person life insurance covering any employee.If we lose the services of any of our key management personnel or we are unable to attract additional qualified personnel,we may be unable to successfully manage our business. **23If we cannot attract,train and retain qualified employees,our business could be adversely affected.Our success depends upon the quality of the employees we hire.We recruit people who are welcoming,friendly and service- oriented,and who often live the western lifestyle or have a genuine affinity for it.Employees in many positions must have knowledge of our merchandise and the skill necessary to excel in a customer service environment.** The ~~COVID- 19 pandemic or a resurgence~~ **turnover rate in the retail industry is typically high and finding qualified candidates to fill positions** may **be difficult particularly in the current highly competitive labor markets.Our planned growth will require us to hire and train even more personnel.If we cannot attract,train and retain corporate employees,district managers,store managers and store associates with the qualifications we deem necessary,our ability to effectively operate and expand may be adversely affected.In addition,we rely on temporary and seasonal personnel to staff our distribution center.We cannot guarantee that we will be able to find adequate temporary or seasonal personnel to staff our operations when needed,which may strain our existing personnel and negatively impact our operations.Higher wage and benefit costs could** adversely affect our business ~~operations,growth strategies,store traffic,~~ **.Changes in federal and state minimum wage laws and other laws relating to** employee **benefits could cause us to incur additional wage** ~~availability,financial condition,liquidity and cash flow for an~~ **and benefit costs** ~~extended period of time~~ . ~~The COVID- 19 pandemic~~ **For example,the federal government** has **considered raising** ~~adversely affected our business and it or a resurgence thereof may continue to adversely affect our business until~~ the **national minimum wage** ~~impact of the pandemic subsides.These adverse effects include~~ , ~~but are not limited to,the potential adverse effect of the pandemic on the economy,our supply chain partners,our employees~~ and **various** ~~customers,customer sentiment in general,and traffic within our stores and on our e- commerce sites.Consumer fear about becoming ill with the virus and recommendations and / or mandates from federal,state~~ **states** and local ~~authorities~~ **jurisdictions have sought** to ~~avoid large gatherings of people or self- quarantine may continue or may~~ increase **retail employee wages by raising minimum wage rates or scheduling future increases in such rates** ,which may ~~affect traffic~~ **also cause wage rates above the minimum** to **increase in those markets.Increased labor costs brought about by changes in minimum wage laws,other regulations** ~~our~~ - **or** ~~stores.Continued impacts of the pandemic~~ **prevailing market conditions,including highly competitive labor markets,** ~~could~~ **would increase our expenses and** have **an** ~~a material~~ adverse ~~effect~~ **impact** on our **profitability** ~~near- term and long- term business operations~~ , ~~store traffic,employee availability,financial condition,liquidity and cash flow,and may require significant actions in response,including but not limited to,additional employee furloughs and / or layoffs,reduced store hours or additional store closings,expense reductions,discounting of pricing of our~~ - **or could negatively** ~~products,all in an effort to mitigate the impacts~~ - **impact** ~~of the pandemic.The full extent to which the COVID- 19 pandemic impacts our business and financial condition will largely depend on future developments,which are highly uncertain and cannot be predicted,including new information which may emerge concerning the severity of the pandemic,the impacts of new variants of the virus,the timing,distribution,efficacy and public acceptance of vaccines and other~~ -- **the quality of our workforce if we fail** ~~treatments for COVID- 19 and the actions necessary~~ to ~~contain COVID- 19~~ **increase our wages competitively** .The concentration of our stores and operations in certain geographic locations subjects us to regional economic conditions and natural disasters that could adversely affect our business.Our Store Support Center and distribution centers are located in California ~~,~~ **and** Kansas ~~,and Missouri~~ .If we encounter any disruptions to our operations at these locations or if they were to shut down for any reason,including due to fire,tornado,earthquake or other natural disaster,then we may be prevented from effectively operating our stores and our e- commerce businesses **.Additionally,a widespread transmission of COVID- 19 among the employees in our distribution centers might necessitate the temporary closure of our facilities,resulting in product delivery delays and other logistical constraints** .Furthermore,the risk of disruption or shutdown at our buildings in California are greater than they might be if they were located in another region,as southern California is prone to natural disasters such as earthquakes and wildfires.Any disruption or shutdown at our locations could significantly impact our operations and have a material adverse effect on our financial condition and results of operations.In addition,of the ~~345~~ **300** stores that we operated as of ~~April 1~~ **March 26** , ~~2023~~ **2022** , ~~155~~ **137** of these stores were located in Arizona,California and Texas.The geographic concentration of our stores may expose us to economic downturns or natural disasters in those states where our stores are located.For example,our stores located in North Dakota,Wyoming,Colorado,Texas and surrounding areas are likely to be adversely impacted by an economic downturn affecting the oil,gas,and commodities industries.Any similar events in states where our stores are concentrated could have a material adverse effect on our financial condition and results of operations. ~~23We~~ **We** could be required to collect additional sales taxes or be subject to other tax liabilities that may increase the costs our ~~customers~~ **clients** would have to pay for our products and adversely affect our operating results.An increasing number of states have considered or adopted laws that attempt to impose tax collection obligations on out- of- state retailers.In South Dakota v.Wayfair,Inc.et al (“ Wayfair ”),a case challenging existing law that online sellers are not required to collect sales and use tax unless they have a physical presence in the buyer’ s state,the Supreme Court decided that states may adopt laws requiring sellers to collect sales and use tax,even in states where the seller has no physical presence.As a result of Wayfair,states or the federal government may adopt,or begin to enforce,laws requiring us to calculate,collect,and remit taxes on sales in their jurisdictions.A successful assertion by one or more states requiring us to collect taxes where we presently do not do so,or to collect more taxes in a jurisdiction ~~in~~ **24in** which we currently do collect some taxes,could result in substantial tax liabilities,including taxes on past sales,as well as penalties and interest.The imposition by state governments of sales tax collection obligations on out- of- state retailers could also create additional administrative burdens for us,put us at a competitive disadvantage if they do not impose similar obligations on our competitors and decrease our future sales,which could have a material adverse impact on our business and operating results.The adoption of new tax legislation could affect our financial performance.We are subject to income and other taxes in the United States.Our effective tax rate in the future could be adversely affected by changes in the valuation of deferred tax assets and liabilities and changes in tax laws.More generally,it is possible that U.S.federal income or other tax laws or the interpretation of tax laws will change.It is difficult to predict whether and when there will be tax law changes having a material adverse effect on our business,financial condition,results of operations and cash flows.We are required to make significant lease payments for our stores,Store Support Center and distribution centers,which may strain our cash flow.We do not own any real estate.Instead,we lease all of our retail store locations as well as our Store Support Center and distribution centers.The store leases generally have a base lease term of five or 10 years,with one or more renewal periods of five years,on average,exercisable at our option.Many of our leases have early cancelation clauses which permit us to terminate the lease if certain sales thresholds are not met in certain periods of time.Our costs under these leases are a significant amount of our expenses and are growing rapidly as we expand the number of locations and the cost of leasing existing locations rises.In fiscal ~~2023~~ **2022** ,our total lease expense was $ ~~90~~ **76** . ~~6~~ **1** million,and we expect this amount to continue to increase as we open more stores.We are required to pay additional rent under ~~some~~ **many** of our lease agreements based upon achieving certain sales thresholds for each store location.We are generally responsible for the payment of property taxes and insurance,utilities and common area maintenance fees.Many of our lease agreements also contain provisions which increase the rent payments on a set time schedule,causing the cash rent paid for a location to escalate over the term of the lease.In addition,rent costs could escalate when multi- year leases are renewed at the expiration of their lease term.These costs are significant,recurring and increasing,which places a consistent strain on our cash flow.We depend on cash flows from operations to pay our lease expenses and to fulfill our other cash needs.If our business does not generate sufficient cash flows from operating activities,and sufficient funds are not otherwise available to us from borrowings under our current credit facility,future credit facilities or from other sources,we may be unable to service our operating lease expenses,grow our business,respond to competitive challenges or fund our other liquidity and capital needs,which would harm our business.Additional sites that we lease are likely to be subject to similar long- term leases.If an existing or future store is not profitable,and we decide to close it,we may nonetheless be committed to perform our obligations under the applicable lease including,among other things,paying the base rent for the balance of the lease term.We may fail to identify suitable store locations,the availability of which is beyond our control,to replace such closed stores.In addition,as our leases expire,we may fail to negotiate renewals,either on commercially acceptable terms or at all,which could cause us to close stores in desirable locations.Of the store leases that will reach their termination date during fiscal ~~2024~~ **2023** , **sixteen** ~~twenty-two~~ of those leases do not contain an option to automatically extend the lease term.If we are unable to enter into ~~24new~~ -- **new** leases or renew existing leases on terms acceptable to us or be released from our obligations under leases for stores that we close,our business,profitability and results of operations may be harmed.We may be unable to maintain same store sales or net sales per square foot,which may cause our results of operations to decline.The investing public may use same store sales or net sales per square foot projections or results,over a certain period of time,such as on a quarterly or yearly basis,as an indicator of our profitability growth.See Item 7,Management’ s Discussion and Analysis of Financial Condition and Results of Operations for further discussion of “ same store sales ”.Our same store sales can vary significantly from period to period for a variety of reasons,such as the age of ~~stores~~ **25stores** ,temporary store closures,changing economic factors,including those caused by ~~macroeconomic conditions~~ **the COVID- 19 pandemic** ,unseasonable weather,pricing,the timing of the release of new merchandise and promotional events and increased competition.These factors could cause same store sales or net sales per square foot to decline period to period or fail to grow at expected rates,which could adversely affect our results of operations and cause the price of our common stock to be volatile during such periods.Any inability to balance our exclusive brand merchandise with the third- party branded merchandise that we sell may have an adverse effect on our net sales and gross profit.In fiscal ~~2023~~ **2022** ,sales from our exclusive brand products accounted for approximately ~~34~~ **28** . ~~0~~ **3** % of our consolidated sales **including our stores and e- commerce websites** .As of ~~April 1~~ **March 26** , ~~2023~~ **2022** ,three of our five top selling brands were exclusive ~~brands~~ - **brand merchandise** .Our exclusive brand merchandise has historically had a higher gross margin than the third- party branded merchandise that we offer.As a result,we intend to attempt to increase the penetration of our exclusive brands in the future.However,carrying our exclusive brands limits the amount of third- party branded merchandise we can carry and,therefore,there is a risk that our customers’ perception that we offer many major brands will decline or that our suppliers of third- party branded merchandise may decide to discontinue supplying,or reduce the supply of,their merchandise.If this occurs,it could have a material adverse effect on net sales and profitability ~~.If~~ Our leverage may reduce our cash flow available to grow our business. As of ~~March 26~~ **April 1** , ~~2022~~ **2023** , we had an aggregate of $ ~~28~~ **66** . ~~5~~ **0** million of total outstanding indebtedness. Our obligation to pay interest under the ~~June 2015~~ Wells Fargo Revolver will reduce our available cash flow, limiting our flexibility to respond to changing business and economic conditions and increasing any additional borrowing costs. ~~Our borrowings~~ **25The debt outstanding** under the ~~June 2015~~ Wells Fargo Revolver ~~are at~~ **has a** variable ~~rates -~~ **rate** ~~, exposing~~ **of interest that is based on the SOFR which may have consequences for** us **that cannot be reasonably predicted and may increase our cost of borrowing in the future. On July 11, 2022, we amended the Wells Fargo Revolver** to **transition from bearing** interest **based on** ~~rate risk, including increases in interest rates resulting from changes in the determination of the~~ London Interbank Offered Rate (" LIBOR ") **to SOFR** . **SOFR** ~~The June 2015 Wells Fargo Revolver provides for variable~~ interest rates **may introduce additional basis risk of market participants as an alternative index is utilized along with LIBOR** . ~~As a result, if interest rates increase,~~ **The future performance of SOFR cannot be predicted based on historical performance and the future level of SOFR may have little** ~~our -~~ **or** ~~debt service obligations under~~ **no relation to historical levels of SOFR. Any patterns in market variable behaviors, such as correlations, may change in** the ~~current~~ **future. Hypothetical or historical performance data are not indicative of, and have no bearing on, the potential performance of SOFR. The Company is not able to** ~~credit~~ **predict SOFR or what** ~~facility could increase even though~~ the ~~amount borrowed remained the same, which would adversely~~ impact **of** ~~our net income. The variable interest rates under~~ the **transition to SOFR** ~~June 2015 Wells Fargo Revolver~~ may be **on** ~~determined, at~~ the Company' s ~~option, based upon LIBOR or a base rate, in each case, plus an applicable margin. On July 27, 2017, the United Kingdom' s Financial~~ **financial condition and** ~~Conduct Authority, which regulates --~~ **results** ~~LIBOR, announced that it intends to phase out LIBOR, with certain tenors phased out after December 31, 2021 and all other tenors (including overnight and one, three, six and 12 months) to be phased out after June 30, 2023. After June 30, 2023, the LIBOR administrator has indicated that it intends to cease publication~~ of ~~U~~ **operations** . ~~S. dollar LIBOR and in, the interim, the LIBOR administrator has advised that no new contracts using U. S. dollar LIBOR should be entered into after December 31, 2021. At this time, no consensus exists as to what rate or rates will become accepted alternatives to LIBOR, although~~ The ~~U. S. Federal Reserve, in conjunction with the Alternative Reference Rates Committee, has identified the Secured Overnight Financing Rate (" SOFR "), a newly created index ; calculated with a broad set of short- term repurchase agreements backed by treasury securities, as its preferred alternative rate for LIBOR. Although SOFR is the Alternative Reference Rates Committee' s recommended replacement rate, it is also possible that lenders may instead choose alternative replacement rates that may differ from LIBOR or SOFR that would result in higher interest costs for us. The June 2015 Wells Fargo Revolver contains fallback language that seeks to facilitate an agreement between us and the administrative agent under on a replacement benchmark rate for LIBOR upon the occurrence of certain benchmark transition events or an early opt- in election. Upon 27the occurrence of one of these triggering events, the administrative agent has the right to make conforming changes to the Credit Agreement to reflect the new benchmark rate. The use of alternative reference rates, including SOFR, or other reforms could cause the interest rates under the June 2015 Wells Fargo Revolver to be materially different than expected. While the impact related to any changes cannot be predicted at this time, we continue to monitor developments related to the LIBOR transition and / or identification of an alternative market- accepted rate. The June 2015~~ Wells Fargo Revolver contains restrictions and limitations that could significantly impact our ability to operate our business. The ~~June 2015~~ Wells Fargo Revolver contains covenants that, among other things, may, under certain circumstances, place limitations on the dollar amounts paid or other actions relating to: ● payments in respect of, or redemptions or acquisitions of, debt or equity issued by Boot Barn or its subsidiaries, including the payment of dividends on our common stock; ● incurring additional indebtedness; ● incurring guarantee obligations; ● ~~paying dividends; ●~~ creating liens on assets; ● entering into sale and leaseback transactions; ● making investments, loans or advances; ● entering into hedging transactions; ● engaging in mergers, consolidations or sales of all or substantially all of their respective assets; and ● engaging in certain transactions with affiliates. In addition, the Company is required to satisfy a certain **fixed charge coverage** financial ratio as set forth in this agreement **during such times as a covenant trigger event under this agreement shall exist** . Our ability to satisfy this financial ratio **, if in effect,** will depend on our ongoing financial and operating performance, which in turn will be subject to economic conditions and to financial, market and competitive factors, many of which are beyond our control. Our ability to comply with this ratio in future periods will also depend on our ability to successfully implement our overall business strategy and realize contemplated synergies. Various risks, uncertainties and events beyond our control could affect our ability to comply with the covenants contained in our current credit facility. Failure to comply with any of these covenants could result in a default under the ~~June 2015~~ Wells Fargo Revolver and under other agreements containing cross- default provisions. A default would permit lenders to accelerate the maturity of the revolving line of credit under this agreement and to foreclose upon any collateral securing the debt. Under these circumstances, we might not have sufficient funds or other resources to satisfy all of our obligations. In addition, the limitations imposed by financing agreements on our ability to incur additional debt and to take other actions might significantly impair our ability to obtain other financing. ~~28New~~ **26New** accounting guidance or changes in the interpretation or application of existing accounting guidance could adversely affect our financial performance. The implementation of new accounting standards could require certain systems, internal processes and controls and other changes that could increase our operating costs and result in changes to our financial statements. For example, the implementation of accounting standards related to leases, as issued by the Financial Accounting Standards Board, required us to make significant changes to our lease management and other accounting systems, and resulted in a material impact to our consolidated financial statements. U. S. generally accepted accounting principles and related accounting pronouncements, implementation guidelines and interpretations with regard to a wide range of matters that are relevant to our business involve many subjective assumptions, estimates and judgments by our management. Changes in these rules or their interpretation or in underlying management assumptions, estimates or judgments could significantly change our reported or expected financial performance. The outcome of such changes could include litigation or regulatory actions which could adversely affect our financial condition and results of operations. Use of social media may adversely impact our reputation or subject us to fines or other penalties. The use of social media platforms, including blogs, social media websites and other forms of internet- based communication, which allow individuals access to a broad audience of consumers and other interested persons, has become commonplace. Negative commentary regarding us or the brands that we sell may be posted on social media platforms or similar devices at any time and may harm our reputation or business. Consumers value readily available information concerning retailers and their goods and services and often act on such information without further investigation and without regard to its accuracy. The harm may be immediate without affording us an opportunity for redress or correction. In addition, social media platforms provide users with access to such a broad audience that collective action against our stores, such as boycotts, can be more easily organized. If such actions were organized, we could suffer reputational damage as well as physical damage to our stores and merchandise. We also use social media platforms as marketing tools. For example, we maintain Facebook, Instagram, and Twitter accounts. As laws and regulations rapidly evolve to govern the use of these platforms and devices, the failure by us, our employees or third parties acting at our direction to abide by applicable laws and regulations in the use of these platforms and devices could adversely impact our business, financial condition and results of operations or subject us to fines or other penalties. Our e- commerce businesses subject us to numerous risks that could have an adverse effect on our results of operations. Our e- commerce businesses and their continued growth subject us to certain risks that could have an adverse effect on our results of operations, including: ● diversion of traffic from our stores; ● increased e- commerce competition; ● liability for online content; ● government regulation of the Internet; and ● risks related to the computer systems that operate our e- commerce websites and related support systems, including computer viruses, electronic data theft and similar disruptions. ~~29Our~~ **27Our** sales could be adversely affected by any disruption or downtime caused by the integration of new software or software upgrades. In addition, any data loss caused by such integration or upgrade could have a material adverse effect on our financial condition and results of operations. As we expand our e- commerce operations, we face the risk of increased losses from credit card fraud. We do not carry insurance against the risk of credit card fraud, so under current credit card practices, we may be liable for fraudulent credit card transactions even though the associated financial institution has approved payment of the orders. If we are unable to deter or control credit card fraud, or if credit card companies require more burdensome terms or refuse to accept credit card charges from us, our net income could be reduced. A breach of our e- commerce security measures could also reduce demand for our services **, and** ~~. A breach of our e- commerce security measures could~~ expose us to potential liabilities ~~and could also reduce demand for our services. In April 2019 an unknown party attempted to access data on one of our e-commerce sites. We investigated the incident and concluded that the attempt was unsuccessful and no personally identifiable information or customer data was accessed or exposed. However, there can be no assurance that future similar attempts would not be successful~~ . In addition, to the extent the threat of such attempted attacks and the sophistication thereof grows, we may be required to devote additional resources to preventative measures. Our e- commerce operations may also subject us to taxation in jurisdictions where we currently do not collect sales and other similar taxes. See "-- We could be required to collect additional sales taxes or be subject to other tax liabilities that may increase the costs our ~~clients~~ **customers** would have to pay for our products and adversely affect our operating results " above. In addition, we rely upon email distributions to advertise our stores and e- commerce businesses and use various data- mining techniques to effectively target these emails. Spam filters or other blocking applications designed to enable consumers to limit incoming email from advertisers may inhibit our ability to effectively reach large audiences of existing and potential customers via email. This may adversely affect our ability to generate new business and acquire new customers. Our sales can significantly fluctuate based upon shopping seasons, which may cause our results of operations to fluctuate disproportionately on a quarterly basis. Because of a traditionally higher level of sales during the Christmas shopping season, our sales are typically higher in the third fiscal quarter than they are in the other fiscal quarters. We also incur significant additional costs and expenses during our third fiscal quarter due to increased staffing levels and higher purchase volumes. Accordingly, the results of a single fiscal quarter should not be relied on as an indication of our annual results or future performance. In addition, any factors that harm our third fiscal quarter results of operations could have a disproportionate effect on our results of operations for the entire fiscal year. We buy and stock merchandise based upon seasonal weather patterns and therefore unseasonable or extreme weather could negatively impact our sales, financial condition and results of operations. We buy and stock merchandise for sale based upon expected seasonal weather patterns. If we encounter unseasonable weather, such as warmer winters or cooler summers than would be considered typical, these weather variations could cause some of our merchandise to be inconsistent with what consumers wish to purchase, causing our sales to decline. In addition, weather conditions affect the demand for our products, which in turn has an impact on prices. In past years, weather conditions, including unseasonably warm weather in winter months, and extreme weather conditions, including snow and ice storms, flood and wind damage, hurricanes, tornadoes, extreme rain and droughts, have affected our sales and results of operations both positively and negatively. Furthermore, extended unseasonable weather conditions, particularly in California or Texas, will likely have a greater impact on our sales because of our store concentration in those regions. Our strategy is to remain flexible and to react to unseasonable and extreme weather conditions by adjusting our merchandise assortments and redirecting inventories to stores affected by the weather conditions. Should such a strategy not be effective, unseasonable or extreme weather may have a material adverse effect on our financial condition and results of operations. **Litigation costs** ~~30If we fail to obtain~~ and ~~retain~~ **the outcome of litigation could have a material adverse effect on our business. Our business is characterized by a** high ~~- visibility sponsorship~~ **volume of customer traffic and by transactions involving a wide variety of product selections, each of which exposes us to a high risk of consumer litigation. From time to time we may be 28subject to litigation claims through the ordinary course of** ~~or~~ **our** ~~endorsement arrangements~~ **business operations regarding, but not limited to, employment matters, compliance** with ~~celebrities~~ **the Americans with Disabilities Act of 1990** , ~~or if~~ **footwear, apparel and accessory safety standards, security of customer and employee personal information, contractual relations with suppliers, marketing and infringement of trademarks and** ~~the~~ **other** ~~reputation of~~ **intellectual property rights. Litigation to defend ourselves against claims by third parties, or to enforce** any **rights** ~~of the celebrities~~ that we

~~partner with is impaired~~ **may have against third parties** , **may be necessary, which could result in substantial costs and diversion of our resources, causing a material adverse effect on** our business **, financial condition, results** ~~may suffer. A principal component~~ of **operations** ~~our~~ - **or cash flows** ~~marketing program is to partner with well- known country music artists and other celebrities for sponsorship and endorsement arrangements. Although we have partnered with several well- known celebrities in this manner, some of these persons may not continue their endorsements, may not continue to succeed in their fields or may engage in activities which could bring disrepute on themselves and, in turn, on us and our brand image and products. We also may not be able to attract and partner with new celebrities that may emerge in the future. Competition for endorsers is significant and adverse publicity regarding us or our industry could make it more difficult to attract and retain endorsers. Any of these failures by us or the celebrities that we partner with could adversely affect our business and revenues~~ . Our management information systems and databases could be disrupted by system security failures, cyber threats or by the failure of, or lack of access to, our Enterprise Resource Planning system. These disruptions could negatively impact our sales, increase our expenses, subject us to liability and / or harm our reputation. Hackers, computer programmers and internal users may be able to penetrate our network security and create system disruptions, cause shutdowns and misappropriate our confidential information or that of our employees and third parties, including our customers. Therefore, we could incur significant expenses addressing problems created by security breaches to our network. This risk is heightened because we collect and store customer information for marketing purposes, as well as debit and credit card information. We must, and do, take precautions to secure customer information and prevent unauthorized access to our database of confidential information. However, if unauthorized parties, including external hackers or computer programmers, gain access to our database, they may be able to steal this confidential information. Our failure to secure this information could result in costly litigation, adverse publicity or regulatory action, or result in customers discontinuing the use of debit or credit cards in our stores **or e- commerce websites** , or customers not shopping in our stores or on our e- commerce websites altogether. These consequences could have a material adverse effect on our financial condition and results of operations. In addition, sophisticated hardware and operating system software and applications that we procure from third parties may contain defects in design or manufacture that could unexpectedly interfere with our operations. The cost to alleviate security risks and defects in software and hardware and to address any problems that occur could negatively impact our sales, distribution and other critical functions, as well as our financial results. In recent years, there has been increasing regulatory enforcement and litigation activity in the area of privacy, data protection and information security in various states in which we operate. On June 28, 2018, the California governor signed into law the comprehensive California Consumer Privacy Act of 2018 (the " CCPA "), which became effective on January 1, 2020. The CCPA requires certain companies to satisfy new requirements regarding the handling of personal and sensitive data, including its use, protection and the ability of California residents whose data is stored to know specifically what data types each company has collected on them and, if they so choose, the right to demand that such companies delete their data. Failure to comply with the CCPA requirements could result in civil penalties. The CCPA also provides a private right of action that allows consumers to seek, either individually or as a class, statutory or actual damages and injunctive and other relief, if their sensitive personal information is subject to unauthorized access and exfiltration, theft or disclosure as a result of a business' s failure to implement and maintain required reasonable security procedures. New legislation or regulation such as the CCPA, including any potential comprehensive federal privacy legislation, as well as any associated inquiries or investigations or any other government actions, could be costly to comply with, result in negative publicity, increase our operating costs, require significant management time and attention, and subject us to remedies that may harm our business, including fines or demands or orders that we modify or cease existing business practices. ~~31We~~ **29We** operate Aptos Retail on a software- as- a- service platform, and we use this system for integrated point- of- sale, merchandising, planning, sales audit, customer relationship management, inventory control, loss prevention, purchase order management and business intelligence. Accordingly, we depend on this system, and the third- party provider of this service, for many aspects of our operations. If this service provider or this system fails, or if we are unable to continue to have access to this system on commercially reasonable terms, or at all, our operations would be severely disrupted until an equivalent system could be identified, licensed or developed, and integrated into our operations. This disruption would have a material adverse effect on our business. Our failure to maintain adequate internal controls over our financial and management systems may cause errors in our financial reporting. These errors may cause a loss of investor confidence and result in a decline in the price of our common stock. Our public company reporting obligations and our anticipated growth may place additional burdens on our financial and management systems, internal controls and employees. As a public company, we are required to maintain internal control over financial reporting. Pursuant to Section 404 of the Sarbanes- Oxley Act, we are required to file a report by management on the effectiveness of our internal control over financial reporting. Maintaining internal controls is time consuming and costly. If we identify any material weaknesses or deficiencies that aggregate to a material weakness in our internal controls, we will have to implement appropriate changes to these controls, which may require specific compliance training for our directors, officers and employees, require the hiring of additional finance, accounting, legal and other personnel, entail substantial costs to modify our existing accounting systems and take a significant period of time to complete. Such changes may not, however, be effective in maintaining the adequacy of our internal controls, and any failure to maintain that adequacy, or consequent inability to produce accurate financial statements on a timely basis, could increase our operating costs and could materially impair our ability to operate our business. If we are unable to maintain effective internal control over financial reporting, including because of an inability to remediate any such material weakness, **or** if our management is unable to report that our internal control over financial reporting is effective when required, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock could be negatively affected. As a result, our failure to maintain effective internal controls could result in us being subject to regulatory action and a loss of investor confidence in the reliability of our financial statements, both of which in turn could cause the market value of our common stock to decline and affect our ability to raise capital. ~~Litigation costs~~ **If we fail to obtain** and **retain high- visibility sponsorship or endorsement arrangements with celebrities, or if the reputation of any of the celebrities that we partner with is impaired, our business may suffer. A component of our marketing program is to partner with well- known country music artists and** ~~the~~ **other** ~~outcome of litigation could~~ **celebrities for sponsorship and endorsement arrangements. Although we** have ~~a material~~ **partnered with several well- known celebrities in this manner, some of these persons may not continue their endorsements, may not continue to succeed in their fields or may engage in activities which could bring disrepute on themselves and, in turn, on us and our brand image and products. We also may not be able to attract and partner with new celebrities that may emerge in the future. Competition for endorsers is significant and** adverse **publicity regarding us or our industry could make it more difficult to attract and retain endorsers. Any of these failures by us or the celebrities that we partner with could adversely** ~~effect~~ **affect** ~~on~~ our business ~~. Our business is characterized by a high volume of customer traffic and by transactions involving a wide variety of product selections, each of which exposes us to a high risk of consumer litigation. From time to time we may be subject to litigation claims through the ordinary course of our business operations regarding, but not limited to, employment matters, compliance with the Americans with Disabilities Act of 1990, footwear, apparel and accessory safety standards, security of customer and employee personal information, contractual relations with suppliers, marketing and infringement of trademarks and other intellectual property rights. Additionally, as a result of COVID- 19, we may have increased litigation exposure if an~~ **and revenues** ~~employee or customer believes they contracted the COVID- 19 virus in one of our stores. Litigation to defend ourselves against claims by third parties, or to enforce any rights that we may have against third parties, may be necessary, which could result in substantial costs and diversion of our resources, causing a material adverse effect on our business, financial condition, results of operations or cash flows~~ . We may be subject to liability if we, or our suppliers, infringe upon the intellectual property rights of third parties. We may be subject to claims that our activities or the products that we sell infringe upon the intellectual property rights of others. Any such claims can be time consuming and costly to defend, and may divert our management' s attention and resources, even if the claims are meritless. If we were to be found liable for any such infringement, we could be required to enter into costly settlements or license agreements and could be subject to injunctions preventing further infringement. Such infringement claims could harm our brand image. In addition, any payments that we are required to make and any injunction with which we are required to comply as a result of such infringement actions could adversely affect our financial results. ~~32We~~ **30We** purchase merchandise from suppliers that may be subject to design copyrights or design patents, or otherwise may incorporate protected intellectual property. We are not involved in the manufacture of any of the merchandise we purchase from our suppliers for sale to our customers, and we do not independently investigate whether these suppliers legally hold intellectual property rights to merchandise that they are manufacturing or distributing. As a result, we rely upon the suppliers' representations set forth in our purchase orders and supplier agreements concerning their right to sell us the products that we purchase from them. If a third party claims to have licensing rights with respect to merchandise we purchased from a supplier, or if we acquire unlicensed merchandise, we could be obligated to remove such merchandise from our stores, incur costs associated with destruction of such merchandise if the distributor or supplier is unwilling or unable to reimburse us and be subject to liability under various civil and criminal causes of action, including actions to recover unpaid royalties and other damages and injunctions. Any of these results could harm our brand image and have a material adverse effect on our business and growth. If we are unable to protect our intellectual property rights, our financial results may be negatively impacted. Our success depends in large part on our brand image. Our name, logo, domain ~~name~~ **names** and our exclusive brands and other intellectual property are valuable assets that differentiate us from our competitors. We currently rely on a combination of copyright, trademark, trade dress and unfair competition laws to establish and protect our intellectual property rights, but the steps taken by us to protect our proprietary rights may be inadequate to prevent infringement of our trademarks and proprietary rights by others, including imitation and misappropriation of our brand. Additional obstacles may arise as we expand our product lines and geographic scope. Moreover, litigation may be necessary to protect or enforce these intellectual property rights, which could result in substantial costs and diversion of our resources, causing a material adverse effect on our business, financial condition, results of operations or cash flows. The unauthorized use or misappropriation of our intellectual property or our failure to protect our intellectual property rights could damage our brand image and the goodwill we have created, which could cause our sales to decline. We have not registered any of our intellectual property outside of the U. S. with the exception of the Boot Barn tradenames which are registered in China and Hong Kong. We cannot prohibit other companies from using our other trademarks in foreign countries. Use of these other trademarks in foreign countries could negatively impact our identity in the U. S. and cause our sales to decline. Union attempts to organize our employees could negatively affect our business. Currently, none of our employees are represented by a union. However, if some or all of our workforce were to unionize and the terms of the collective bargaining agreement were significantly different from our current compensation arrangements, it could increase our costs and adversely impact our profitability. Moreover, participation in labor unions could put us at increased risk of labor strikes and disruption of our operations. Responding to unionization attempts may distract management and our workforce. Any of these changes could adversely affect our business, financial condition, results of operations or cash flows. Issues with merchandise safety could damage our reputation, sales and financial results. Various governmental authorities in the jurisdictions where we do business regulate the safety of the merchandise we sell to consumers. Regulations and standards in this area, including those related to the U. S. Consumer Product Safety Improvement Act of 2008, state regulations like California' s Proposition 65, and similar legislation, impose restrictions and requirements on the merchandise we sell in our stores and through **our** e- commerce **websites** . These regulations change from time to time as new federal, state or local regulations are enacted. If we or our vendors are unable to comply with regulatory requirements on a timely basis or at all, significant fines or penalties could be incurred or we could have to curtail some aspects of our sales or operations, which could have a material adverse effect on our business, financial condition, results of operations or cash flows. We rely on our vendors to provide quality merchandise that complies with applicable product safety laws and other applicable laws, but they may not comply with their obligations to do so. Although our arrangements with our vendors frequently provide for indemnification for product liabilities, the vendors may fail to honor those obligations to an extent we consider sufficient or at all. Issues with the safety of merchandise or customer concerns about such issues, ~~33regardless~~ **31regardless** of our fault, could cause damage to our reputation and could result in lost sales, uninsured product liability claims or losses, merchandise recalls and increased costs, and regulatory, civil or criminal fines or penalties, any of which could have a material adverse effect on our business, financial condition, results of operations or cash flows. Violations of or changes in laws, including employment laws and laws related to our merchandise, could make conducting our business more expensive or change the way we do business. We are subject to numerous regulations, including labor and employment, customs, truth- in- advertising, consumer protection, environmental and occupational safety requirements and zoning and occupancy laws and ordinances that regulate retailers generally, that govern the importation, promotion and sale of merchandise and / or that regulate the operation of stores and ~~warehouse facilities~~ **distribution centers** . If these regulations were violated by our management, employees or suppliers, the costs of certain goods could increase, or we could experience delays in shipments of our goods, be subject to fines or penalties or suffer reputational harm, which could reduce demand for our merchandise and hurt our business and results of operations. Similarly, changes in laws could make operating our business more expensive or require us to change the way we do business. In addition, changes in product safety or other consumer protection laws could lead to increased costs for certain merchandise, or additional labor costs associated with readying merchandise for sale. It may be difficult for us to foresee regulatory changes impacting our business and our actions needed to respond to changes in the law could be costly and may negatively impact our operations. We may engage in strategic transactions that could negatively impact our liquidity, increase our expenses and present significant distractions to our management. We have made strategic acquisitions in the past and may in the future consider strategic transactions and business arrangements, including, but not limited to, acquisitions, asset purchases, partnerships, joint ventures, restructurings, divestitures and investments. The success of such a transaction is based on our ability to make accurate assumptions regarding the valuation, operations, growth potential, integration and other factors relating to the respective business. Acquisitions may result in difficulties in assimilating acquired companies and may result in the diversion of our capital and our management' s attention from other business issues and opportunities. We may be unable to successfully integrate operations that we acquire, including their personnel, financial systems, distribution, operations and general operating procedures. Any such transaction may require us to incur non- recurring or other charges, may increase our near and long- term expenditures and may pose significant integration challenges or disrupt our management or business, which could harm our operations and financial results. Terrorism or civil unrest could negatively affect our business. Terrorist attacks, threats of terrorist attacks or civil unrest involving public areas could cause people to avoid visiting some areas where our stores are located. Further, armed conflicts or acts of war throughout the world may create uncertainty, causing consumers to spend less on discretionary purchases, including on footwear, apparel and accessories, or disrupt our ability to obtain merchandise for our stores **and e- commerce websites** . Such decreases in consumer spending or disruptions in our ability to obtain merchandise would likely decrease our sales and materially adversely affect our financial condition and results of operations. If our goodwill, intangible assets or long- lived assets become impaired, we may be required to record a significant charge to earnings. We have a significant amount of goodwill and indefinite- lived intangible assets. Our goodwill balance as of ~~March 26~~ **April 1** , ~~2022~~ **2023** was $ 197. 5 million. Our intangible asset balance as of ~~March 26~~ **April 1** , ~~2022~~ **2023** was $ 60. 8 million. We test goodwill and intangible assets for impairment at least annually or more frequently if indicators of impairment exist. Long- lived assets are tested for impairment only if indicators of impairment exist, such as significant negative industry or general economic trends ~~(including the impact of COVID- 19)~~ . Goodwill, intangible assets and long- lived assets are considered to be impaired when the net book value of the asset exceeds its estimated fair value. An impairment of a ~~34significant~~ -- **significant** portion of our goodwill, intangible assets or long- lived assets could materially adversely affect our financial condition and results of operations. ~~Risks~~ **32Risks** Related ~~To~~ **to** Ownership of Our Common StockThe market price and trading volume of our common stock have been and may continue to be volatile, which could result in rapid and substantial losses for our stockholders, **who** ~~and you~~ may lose all or part of ~~your~~ **their** investment. The market for specialty retail stocks can be highly volatile. Since our IPO in October 2014 through May ~~10, 2022~~ **2023** , our common stock has traded as high as $ 134. 50 and as low as $ 5. 20. An active, liquid and orderly market for our common stock may not be sustained, which could depress the trading price of our common stock or cause it to be highly volatile or subject to wide fluctuations. The market price of our common stock has and may continue to fluctuate or may decline significantly in the future and you could lose all or part of your investment. Some of the factors that could negatively affect our share price or result in fluctuations in the price or trading volume of our common stock include: ● variations in our quarterly or annual financial results and operating performance and the performance of our competitors; ● publication of research reports or recommendations by securities or industry analysts about us, our competitors or our industry, or a lack of such securities analyst coverage; ● our failure or our competitors' failure to meet analysts' projections or guidance; ● downgrades by any securities analysts who follow our common stock; ● our levels of same store sales; ● sales or anticipated sales of large blocks of our common stock; ● changes to our management team; ● regulatory developments negatively affecting our industry; ● changes in stock market valuations of our competitors; ● the development and sustainability of an active trading market for our common stock; ● the public' s response to press releases or other public announcements by us or third parties, including our filings with the SEC; ● the performance and successful integration of any new stores that we open or acquire; ● actions by competitors; ● announcements by us or our competitors of new product offerings or significant acquisitions; ● short selling of our common stock by investors; ● limited " public float " in the hands of a small number of persons whose sales or lack of sales of our common stock could result in positive or negative pricing pressure on the market price for our common stock; ~~35~~ ● fluctuations in the stock markets generally and in the market for shares in the retail sector particularly; ~~and~~ **and33** ● changes in general market and economic conditions, including as a result of the widespread impact of the COVID- 19 pandemic or as a result of other geopolitical conditions, ~~including~~ **such as** the **ongoing** ~~rapidly evolving~~ conflict between Russia and the Ukraine. Further, securities class action litigation has often been initiated against companies following periods of volatility in their stock price. This type of litigation, should it materialize, could result in substantial costs and divert our management' s attention and resources, and could also require us to make substantial payments to satisfy judgments or to settle litigation. The threat or filing of class action litigation could cause the price of our common stock to decline. Anti-takeover provisions in our corporate organizational documents and current credit facility and under Delaware law may delay, deter or prevent a takeover of us and the replacement or removal of our management, even if such a change of control would benefit our stockholders. The anti- takeover provisions under Delaware law, as well as the provisions contained in our corporate organizational documents, may make an acquisition of us more difficult. For example: ● our amended and restated certificate of incorporation includes a provision authorizing our board of directors to issue blank check preferred stock without stockholder approval, which, if issued, would increase the number of outstanding shares of our capital stock and make it more difficult for a stockholder to acquire us; ● our amended and restated bylaws provide that director vacancies and newly created directorships can only be filled by an affirmative vote of a majority of directors then in office; ● our amended and restated bylaws require advance notice of stockholder proposals and director nominations; ● our amended and restated certificate of incorporation provides that our board of directors may adopt, amend, add to, modify or repeal our amended and restated bylaws without stockholder approval; ● our amended and restated bylaws do not permit our stockholders to act by written consent without a meeting unless that action is taken with regard to a matter that has been approved by our board of directors or requires the approval only of certain classes or series of our stock; ● our amended and restated certificate of incorporation contains a requirement that, to the fullest extent permitted by law, certain proceedings against or involving us or our directors, officers or employees must be brought exclusively in the Court of Chancery of the State of Delaware unless we consent in writing to an alternative forum; ● our amended and restated bylaws do not permit our stockholders to call special meetings; and ● the General Corporation Law of the State of Delaware, or the DGCL, may prevent any stockholder or group of stockholders owning at least 15 % of our common stock from completing a merger or acquisition of us. Our current credit facility also contains provisions that could have the effect of making it more difficult or less attractive for a third party to acquire control of us. Our current credit facility provides that a change of control constitutes an event of default under such credit facility and would permit the lenders to declare the indebtedness incurred thereunder to be immediately due and payable. Our future credit facilities may contain similar provisions. The need to repay all such indebtedness may deter potential third parties from acquiring us. ~~36~~ **Under these various provisions in our amended and restated certificate of incorporation, amended and restated bylaws and current credit facility, a takeover attempt or third- party acquisition of us, including a takeover attempt that 34**