

BJ's Wholesale Club Holdings, Inc. Announces Second Quarter Fiscal 2024 Results

Second quarter demonstrates strong momentum in membership, traffic, and unit volumes

Second Quarter Fiscal 2024 Highlights

- Comparable club sales increased by 3.1% year-over-year
- Comparable club sales, excluding gasoline sales, increased by 2.4% year-over-year
- Digitally enabled comparable sales growth was 22.0% year-over-year
- Membership fee income increased by 9.1% year-over-year to \$113.1 million
- Earnings per diluted share of \$1.08 and adjusted earnings per diluted share of \$1.09

Marlborough, Mass. (August 22, 2024) – BJ's Wholesale Club Holdings, Inc. (NYSE: BJ) (the "Company") today announced its financial results for the thirteen weeks and twenty-six weeks ended August 3, 2024.

“Our second quarter was marked by robust membership, accelerating traffic and unit growth, and a fast-tracking digital business, which led to strong performance in the quarter. This was our tenth consecutive quarter of traffic growth. We are driving healthy membership expansion across both existing and new clubs. Our compelling value proposition is resonating with our members and we believe our results demonstrate the meaningful progress we are making on our long term strategic initiatives,” said Bob Eddy, Chairman and Chief Executive Officer, BJ's Wholesale Club. “I am proud of our team members for their continued dedication to our purpose of ‘taking care of the families who depend on us’. We will continue to invest in the long term success of our Company and we remain excited about our future.”

Key Measures for the Thirteen Weeks Ended August 3, 2024 (Second Quarter of Fiscal 2024) and for the Twenty-six Weeks Ended August 3, 2024 (First Six Months of Fiscal 2024):

BJ'S WHOLESALE CLUB HOLDINGS, INC. (Amounts in thousands, except per share amounts)

	Thirteen Weeks Ended August 3, 2024	Thirteen Weeks Ended July 29, 2023	% Growth (Decline)	Twenty-six Weeks Ended August 3, 2024	Twenty-six Weeks Ended July 29, 2023	% Growth (Decline)
Net sales	\$ 5,092,279	\$ 4,859,842	4.8 %	\$ 9,899,408	\$ 9,480,462	4.4 %
Membership fee income	113,116	103,698	9.1 %	224,506	206,220	8.9 %
Total revenues	5,205,395	4,963,540	4.9 %	10,123,914	9,686,682	4.5 %
Operating income	203,675	200,269	1.7 %	364,430	387,039	(5.8)%
Income from continuing operations	144,988	131,325	10.4 %	256,007	247,313	3.5 %
Adjusted EBITDA ^{(a)(b)}	281,349	268,109	4.9 %	517,735	519,647	(0.4)%
Net income	144,988	131,325	10.4 %	256,007	247,402	3.5 %
EPS ^(c)	1.08	0.97	11.3 %	1.91	1.83	4.4 %
Adjusted net income ^{(a)(d)}	146,332	133,504	9.6 %	259,740	249,150	4.3 %
Adjusted EPS ^{(a)(d)}	1.09	0.99	10.1 %	1.94	1.84	5.4 %
Basic weighted-average shares outstanding	132,431	133,317		132,414	133,314	
Diluted weighted-average shares outstanding	133,849	135,129		133,980	135,515	

(a) See “Note Regarding Non-GAAP Financial Information.”

(b) Adjusted EBITDA for the thirteen and twenty-six weeks ended July 29, 2023 has been recast to exclude adjustments for pre-opening expenses and non-cash rent expense to conform to the current period definition, and include adjustments for restructuring charges to conform to the current period presentation.

(c) EPS represents net income per diluted share.

(d) Adjusted net income for the thirteen and twenty-six weeks ended July 29, 2023 has been recast to include adjustments for restructuring charges, and the corresponding tax impact, to conform to the current period presentation.

Additional Highlights:

- Total comparable club sales increased by 3.1% and 2.4% in the second quarter and first six months of fiscal 2024, respectively, compared to the same periods in fiscal 2023. Excluding the impact of gasoline sales, comparable club sales increased by 2.4% and 1.5% in the second quarter and first six months of fiscal 2024, respectively, compared to the same periods in fiscal 2023.
- Gross profit increased to \$956.6 million in the second quarter of fiscal 2024 from \$896.8 million in the second quarter of fiscal 2023. Merchandise gross margin rate, which excludes gasoline sales and membership fee income, increased by 10 basis points over the same quarter of fiscal 2023, primarily driven by improved inventory cost management. Gross profit increased to \$1,840.0 million in the first six months of fiscal 2024 from \$1,776.8 million in the first six months of fiscal 2023. Merchandise gross margin rate decreased by 20 basis points in the first six months of fiscal 2024, primarily driven by lower ancillary income.
- Selling, general and administrative expenses ("SG&A") increased to \$750.3 million in the second quarter of fiscal 2024 compared to \$695.0 million in the second quarter of fiscal 2023. SG&A increased to \$1,472.1 million in the first six months of fiscal 2024 compared to \$1,384.3 million in the first six months of fiscal 2023. The increase in both comparative periods was primarily driven by increased labor and occupancy costs as a result of new club and gas station openings in addition to other investments to drive strategic priorities, such as the restructuring of certain corporate functions.
- Income from continuing operations before income taxes increased to \$190.9 million in the second quarter of fiscal 2024 compared to \$184.0 million in the second quarter of fiscal 2023. Income from continuing operations before income taxes decreased to \$337.7 million in the first six months of fiscal 2024 compared to \$356.1 million in the first six months of fiscal 2023.
- Income tax expense decreased to \$45.9 million in the second quarter of fiscal 2024 compared to \$52.7 million in the second quarter of fiscal 2023. Income tax expense decreased to \$81.7 million in the first six months of fiscal 2024 compared to \$108.8 million in the first six months of fiscal 2023. The decrease in income tax expense for both comparative periods is primarily driven by higher tax benefits from stock-based compensation.
- Net income increased to \$145.0 million in the second quarter of fiscal 2024 compared to \$131.3 million in the second quarter of fiscal 2023. Net income increased to \$256.0 million in the first six months of fiscal 2024 compared to \$247.4 million in the first six months of fiscal 2023.
- Adjusted EBITDA increased by 4.9% to \$281.3 million in the second quarter of fiscal 2024 compared to \$268.1 million in the second quarter of fiscal 2023. Adjusted EBITDA decreased by 0.4% to \$517.7 million in the first six months of fiscal 2024 compared to \$519.6 million in the first six months of fiscal 2023.
- Under its existing share repurchase program, the Company repurchased 451,982 shares of common stock, totaling \$40.4 million, inclusive of associated costs, in the second quarter of fiscal 2024. In the first six months of fiscal 2024, the Company repurchased 857,092 shares of common stock, totaling \$70.6 million, inclusive of associated costs, under such program, and \$118.7 million remained available to purchase.

Fiscal 2024 Ending February 1, 2025 Outlook

“As we look ahead, we remain confident in our ability to drive long-term growth and shareholder value led by our continued focus on executing our strategic priorities and delivering significant value to our members,” said Laura Felice, Executive Vice President, Chief Financial Officer, BJ’s Wholesale Club. “With respect to our outlook, we continue to expect fiscal 2024 comparable club sales, excluding the impact of gasoline sales, to increase 1% to 2% year-over-year, with traffic and unit growth as well as a strong perishables business likely driving us to the higher end of the range. Our business model and long-term strategies have allowed us to invest in our value proposition to help our members stretch their dollar. As we do what’s right for our members, we expect our fiscal 2024 merchandise gross margins to remain approximately flat year-over-year. Finally, we continue to expect our fiscal 2024 adjusted EPS to range from \$3.75 to \$4.00, with our investments for the long term potentially driving us toward the low end of the range.”

Conference Call Details

A conference call to discuss the second quarter of fiscal 2024 financial results is scheduled for today, August 22, 2024, at 8:30 A.M. Eastern Time. The live audio webcast of the call can be accessed under the “Events & Presentations” section of the Company’s investor relations website at <https://investors.bjs.com> and will remain available for one year. Participants may also dial (833) 470-1428 within the U.S. or +1 (929) 526-1599 outside the U.S. and reference conference ID 760119.

About BJ’s Wholesale Club Holdings, Inc.

BJ’s Wholesale Club Holdings, Inc. (NYSE: BJ) is a leading operator of membership warehouse clubs focused on delivering significant value to its members and serving a shared purpose: “We take care of the families who depend on us.” The Company provides a wide assortment of fresh foods, produce, a full-service deli, fresh bakery, household essentials and gas. In addition, BJ’s offers the latest technology, home decor, apparel, seasonal items and more to deliver unbeatable value to smart-saving families. Headquartered in Marlborough, Massachusetts, the Company pioneered the warehouse club model in New England in 1984 and currently operates 244 clubs and 178 BJ’s Gas[®] locations in 20 states. For more information, please visit us at www.bjs.com.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this press release that do not relate to matters of historical fact should be considered forward-looking statements, including, without limitation, statements regarding our future results of operations and financial position; our anticipated fiscal 2024 outlook; and our strategic priorities and future progress, as well as statements that include the words “expect,” “intend,” “plan,” “confident,” “believe,” “project,” “forecast,” “estimate,” “may,” “should,” “anticipate” and similar statements of a future or forward-looking nature. These forward-looking statements are based on management’s current expectations. These statements are neither promises nor guarantees, but involve known and unknown risks, uncertainties and other important factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including, but not limited to: uncertainties in the financial markets, including, without limitation, as a result of disruptions and instability in the banking and financial services industries or as a result of wars and global political conflicts, consumer and small business spending patterns and debt levels; our dependence on having a large and loyal membership; domestic and international economic conditions, including volatility in inflation or interest rates, supply chain disruptions, construction delays and exchange rates; our ability to procure the merchandise we sell at the best possible prices; the effects of competition and regulation; our dependence on vendors to supply us with quality merchandise at the right time and at the right price; breaches of security or privacy of member or business information; conditions affecting the acquisition, development, ownership or use of real estate; our capital spending; actions of vendors; our ability to attract and retain a qualified management team and other team members; costs associated with employees (generally including health care costs), energy and certain commodities, geopolitical conditions (including tariffs); changes in our product mix or in our revenues from gasoline sales; our failure to successfully maintain a relevant omnichannel experience for our members; risks related to our growth strategy to open new clubs; risks related to our e-commerce business; our ability to grow our BJ’s One Mastercard[®] program; and other important factors discussed under the caption “Risk Factors” in our Form 10-K filed with the U.S. Securities and Exchange Commission (“SEC”) on March 18, 2024, and subsequent filings with the SEC, which are accessible on the SEC’s website at www.sec.gov. These and other important factors could cause actual results to differ materially from those indicated by the forward-looking statements made in this press release. Any such forward-looking statements represent management’s estimates as of the date of this press release. While we may elect to update such forward-looking statements at some point in the future, unless required by law, we disclaim any obligation to do so, even if subsequent events cause our views to change. Thus, one should not assume that our silence over time means that actual

events are bearing out as expressed or implied in such forward-looking statements. These forward-looking statements should not be relied upon as representing our views as of any date subsequent to the date of this press release.

Non-GAAP Financial Measures

We refer to certain financial measures that are not recognized under United States generally accepted accounting principles (“GAAP”). Please see “Note Regarding Non-GAAP Financial Information” and “Reconciliation of GAAP to Non-GAAP Financial Information” below for additional information and a reconciliation of the Non-GAAP financial measures to the most comparable GAAP financial measures.

BJ'S WHOLESALE CLUB HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in thousands, except per share amounts)
(Unaudited)

	Thirteen Weeks Ended August 3, 2024	Thirteen Weeks Ended July 29, 2023	Twenty-six Weeks Ended August 3, 2024	Twenty-six Weeks Ended July 29, 2023
Net sales	\$ 5,092,279	\$ 4,859,842	\$ 9,899,408	\$ 9,480,462
Membership fee income	113,116	103,698	224,506	206,220
Total revenues	5,205,395	4,963,540	10,123,914	9,686,682
Cost of sales	4,248,819	4,066,727	8,283,948	7,909,877
Selling, general and administrative expenses	750,323	694,960	1,472,094	1,384,288
Pre-opening expenses	2,578	1,584	3,442	5,478
Operating income	203,675	200,269	364,430	387,039
Interest expense, net	12,755	16,274	26,706	30,964
Income from continuing operations before income taxes	190,920	183,995	337,724	356,075
Provision for income taxes	45,932	52,670	81,717	108,762
Income from continuing operations	144,988	131,325	256,007	247,313
Income from discontinued operations, net of income taxes	—	—	—	89
Net income	<u>\$ 144,988</u>	<u>\$ 131,325</u>	<u>\$ 256,007</u>	<u>\$ 247,402</u>
Income per share attributable to common stockholders—basic:				
Income from continuing operations	\$ 1.09	\$ 0.99	\$ 1.93	\$ 1.86
Income from discontinued operations	—	—	—	—
Net income	<u>\$ 1.09</u>	<u>\$ 0.99</u>	<u>\$ 1.93</u>	<u>\$ 1.86</u>
Income per share attributable to common stockholders—diluted:				
Income from continuing operations	\$ 1.08	\$ 0.97	\$ 1.91	\$ 1.82
Income from discontinued operations	—	—	—	0.01
Net income	<u>\$ 1.08</u>	<u>\$ 0.97</u>	<u>\$ 1.91</u>	<u>\$ 1.83</u>
Weighted-average number of shares outstanding:				
Basic	132,431	133,317	132,414	133,314
Diluted	133,849	135,129	133,980	135,515

BJ'S WHOLESALE CLUB HOLDINGS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Amounts in thousands, except per share amounts)
(Unaudited)

	August 3, 2024	July 29, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 38,058	\$ 26,210
Accounts receivable, net	248,491	200,279
Merchandise inventories	1,546,211	1,540,508
Prepaid expense and other current assets	82,333	76,309
Total current assets	1,915,093	1,843,306
Operating lease right-of-use assets, net	2,150,965	2,165,125
Property and equipment, net	1,697,139	1,428,576
Goodwill	1,008,816	1,008,816
Intangibles, net	104,370	111,568
Deferred income taxes	3,548	7,928
Other assets	49,971	38,577
Total assets	<u>\$ 6,929,902</u>	<u>\$ 6,603,896</u>
LIABILITIES		
Current liabilities:		
Short-term debt	\$ 217,000	\$ 411,000
Current portion of operating lease liabilities	162,777	179,423
Accounts payable	1,285,733	1,226,490
Accrued expenses and other current liabilities	858,240	774,235
Total current liabilities	2,523,750	2,591,148
Long-term operating lease liabilities	2,058,071	2,075,058
Long-term debt	398,586	448,135
Deferred income taxes	70,976	64,095
Other non-current liabilities	223,612	194,171
STOCKHOLDERS' EQUITY	1,654,907	1,231,289
Total liabilities and stockholders' equity	<u>\$ 6,929,902</u>	<u>\$ 6,603,896</u>

BJ'S WHOLESALE CLUB HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in thousands, except per share amounts)
(Unaudited)

	<u>Twenty-six Weeks Ended August 3, 2024</u>	<u>Twenty-six Weeks Ended July 29, 2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 256,007	\$ 247,402
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	128,559	109,015
Amortization of debt issuance costs and accretion of original issue discount	554	655
Stock-based compensation expense	18,926	19,631
Deferred income tax provision	(3,274)	10,641
Changes in operating leases and other non-cash items	6,479	762
Increase (decrease) in cash due to changes in:		
Accounts receivable, net	(20,006)	39,797
Merchandise inventories	(91,389)	(161,957)
Accounts payable	102,452	30,793
Accrued expenses and other current liabilities	34,312	(3,606)
Other operating assets and liabilities, net	(10,422)	(23,633)
Net cash provided by operating activities	<u>422,198</u>	<u>269,500</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment, net of disposals and proceeds from sale-leaseback transactions	<u>(239,620)</u>	<u>(208,252)</u>
Net cash used in investing activities	<u>(239,620)</u>	<u>(208,252)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from revolving lines of credit	366,000	312,000
Payments on revolving lines of credit	(468,000)	(306,000)
Net cash received from stock option exercises	15,463	1,571
Net cash received from Employee Stock Purchase Program	3,411	3,255
Acquisition of treasury stock	(99,965)	(87,271)
Proceeds from financing obligations	6,008	9,058
Other financing activities	(3,486)	(1,566)
Net cash used in financing activities	<u>(180,569)</u>	<u>(68,953)</u>
Net increase (decrease) in cash and cash equivalents	2,009	(7,705)
Cash and cash equivalents at beginning of period	36,049	33,915
Cash and cash equivalents at end of period	<u>\$ 38,058</u>	<u>\$ 26,210</u>

Note Regarding Non-GAAP Financial Information

This press release includes financial measures that are not calculated in accordance with GAAP, including adjusted net income, adjusted net income per diluted share (“adjusted EPS”), adjusted EBITDA, adjusted free cash flow, net debt, net debt to last twelve months (“LTM”) adjusted EBITDA, and comparable club sales.

We define adjusted net income as net income as reported, adjusted for non-recurring, infrequent, or unusual changes, including restructuring charges, and other adjustments that the Company believes appropriate, net of the tax impact of such adjustments. Prior period adjusted net income presentations have been or will be recast to include the impact of restructuring charges.

We define adjusted EPS as adjusted net income divided by the weighted-average diluted shares outstanding.

We define adjusted EBITDA as income from continuing operations before interest expense, net, provision for income taxes and depreciation and amortization, adjusted for the impact of certain other items, including: stock-based compensation expense; restructuring and other adjustments. Prior period adjusted EBITDA presentations have been or will be recast to exclude pre-opening expenses and non-cash rent expense, and include the impact of restructuring charges.

We define adjusted free cash flow as net cash provided by operating activities less additions to property and equipment, net of disposals, plus proceeds from sale-leaseback transactions.

We define net debt as total debt outstanding less cash and cash equivalents.

We define net debt to LTM adjusted EBITDA as net debt at the balance sheet date divided by adjusted EBITDA for the trailing twelve-month period.

We present adjusted net income, adjusted EPS and adjusted EBITDA, which are not recognized financial measures under GAAP, because we believe such measures assist investors and analysts in comparing our operating performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance.

We believe that adjusted net income, adjusted EPS and adjusted EBITDA are helpful in highlighting trends in our core operating performance compared to other measures, which can differ significantly depending on long-term strategic decisions regarding capital structure, the tax jurisdictions in which companies operate and capital investments. We use adjusted net income, adjusted EPS and adjusted EBITDA to supplement GAAP measures of performance in the evaluation of the effectiveness of our business strategies; to make budgeting decisions; and to compare our performance against that of other peer companies using similar measures. We also use adjusted EBITDA in connection with establishing annual incentive compensation.

We present adjusted free cash flow, which is not a recognized financial measure under GAAP, because we use it to report to our Board of Directors and we believe it assists investors and analysts in evaluating our liquidity. Adjusted free cash flow should not be considered as an alternative to cash flows from operations as a liquidity measure. We present net debt and net debt to LTM adjusted EBITDA, which are not recognized as financial measures under GAAP, because we use them to report to our Board of Directors and we believe they assist investors and analysts in evaluating our borrowing capacity. Net debt to LTM adjusted EBITDA is a key financial measure that is used by management to assess the borrowing capacity of the Company.

You are encouraged to evaluate these adjustments and the reasons we consider them appropriate for supplemental analysis. In evaluating adjusted net income, adjusted EPS, adjusted EBITDA and net debt to LTM adjusted EBITDA, you should be aware that in the future we may incur expenses that are the same as or like some of the adjustments in our presentation of these metrics. Our presentation of adjusted net income, adjusted EPS, adjusted EBITDA, adjusted free cash flow, net debt and net debt to LTM adjusted EBITDA should not be considered as alternatives to any other measure derived in accordance with GAAP and they should not be construed as an inference that the Company’s future results will be unaffected by unusual or non-recurring items. There can be no assurance that we will not modify the presentation of adjusted net income, adjusted EPS, adjusted EBITDA or net debt to LTM adjusted EBITDA in the future, and any such modification may be material. In addition, adjusted net income, adjusted EPS, adjusted EBITDA, adjusted free cash flow, net debt and net debt to LTM adjusted EBITDA may not be comparable to similarly titled measures used by other companies in our industry or across different industries. Additionally, adjusted net income, adjusted EPS, adjusted EBITDA, adjusted free cash flow, net debt and net debt to LTM

adjusted EBITDA have limitations as analytical tools, and you should not consider them in isolation or as a substitute for analysis of our results as reported under GAAP.

We believe comparable club sales is an important driver of our profitability. Comparable club sales, a key performance indicator, also known as same-store sales in the retail industry, includes all clubs that were open for at least 13 months at the beginning of the period and were in operation during the entirety of both periods being compared, including relocated clubs and expansions. Comparable club sales allow us to evaluate how our club base is performing by measuring the change in period-over-period net sales in clubs that have been open for the applicable period.

Various factors affect comparable club sales, including customer preferences and trends, product sourcing, promotional offerings and pricing, shopping frequency from new and existing members and the amount they spend on each visit, weather and holiday shopping period timing and length. Sales comparisons can be influenced by certain factors that are beyond our control such as changes in the cost of gasoline and macro-economic factors such as inflation. The higher comparable club sales, the more we can leverage certain of our selling, general and administrative expenses, reducing them as a percentage of sales and enhancing profitability.

In reliance on the unreasonable efforts exception provided under Item 10(e)(1)(i)(B) of Regulation S-K, the Company does not provide a reconciliation for non-GAAP estimates on a forward-looking basis, including of its projected range for adjusted EPS for Fiscal 2024 to net income per diluted share, which is the most directly comparable GAAP measure, under "Fiscal 2024 Ending February 1, 2025" above, where it is unable to provide a meaningful or accurate calculation or estimation of reconciling items or there are no meaningful adjustments to be presented in the reconciliation and the information is not available without unreasonable effort. This is due to the inherent difficulty of forecasting the timing and/or amount of various items that would impact net income per diluted share, if any. This includes items that have not yet occurred, are out of the Company's control, cannot be reasonably predicted and/or for which there would not be any meaningful adjustment or difference. For the same reasons, the Company is unable to address the probable significance of the unavailable information. The information under "Fiscal 2024 Ending February 1, 2025" above, including expectations about adjusted EPS reflects management's view of current and future market conditions. To the extent actual results differ from our current expectations, the Company's results may differ materially from the expectations set forth above. Other factors, as referenced elsewhere in this press release, may also cause the Company's results to differ materially from the expectations set forth above.

Reconciliation of GAAP to Non-GAAP Financial Information

BJ'S WHOLESALE CLUB HOLDINGS, INC.

Reconciliation of net income to adjusted net income and adjusted EPS

(Amounts in thousands, except per share amounts)

(Unaudited)

	Thirteen Weeks Ended August 3, 2024	Thirteen Weeks Ended July 29, 2023	Twenty-six Weeks Ended August 3, 2024	Twenty-six Weeks Ended July 29, 2023
Net income as reported	\$ 144,988	\$ 131,325	\$ 256,007	\$ 247,402
Adjustments:				
Restructuring ^(a)	1,878	3,214	5,185	3,214
Other adjustments ^(b)	—	(185)	—	(786)
Tax impact of adjustments to net income ^(c)	(534)	(850)	(1,452)	(680)
Adjusted net income ^(d)	<u>\$ 146,332</u>	<u>\$ 133,504</u>	<u>\$ 259,740</u>	<u>\$ 249,150</u>
Weighted-average diluted shares outstanding	133,849	135,129	133,980	135,515
Adjusted EPS ^{(d)(e)}	\$ 1.09	\$ 0.99	\$ 1.94	\$ 1.84

- (a) Represents charges related to the restructuring of certain corporate functions including costs for severance, retention, outplacement, consulting fees, and other third-party fees.
- (b) Other non-cash items related to the reclassification into earnings of accumulated other comprehensive income / loss associated with the de-designation of hedge accounting and other adjustments.
- (c) Represents the tax effect of the above adjustments at a statutory tax rate of approximately 28%.
- (d) Adjusted net income for the thirteen and twenty-six weeks ended July 29, 2023 has been recast to include adjustments for restructuring charges, and the corresponding tax impact, to conform to the current period presentation.
- (e) Adjusted EPS is measured using weighted-average diluted shares outstanding.

BJ'S WHOLESALE CLUB HOLDINGS, INC.

Reconciliation to Adjusted EBITDA

(Amounts in thousands)

(Unaudited)

	Thirteen Weeks Ended August 3, 2024	Thirteen Weeks Ended July 29, 2023	Twenty-six Weeks Ended August 3, 2024	Twenty-six Weeks Ended July 29, 2023
Income from continuing operations	\$ 144,988	\$ 131,325	\$ 256,007	\$ 247,313
Interest expense, net	12,755	16,274	26,706	30,964
Provision for income taxes	45,932	52,670	81,717	108,762
Depreciation and amortization	65,137	54,825	128,559	109,015
Stock-based compensation expense	10,336	9,624	18,926	19,631
Restructuring ^(a)	1,878	3,214	5,185	3,214
Other adjustments ^(b)	323	177	635	748
Adjusted EBITDA ^(c)	<u>\$ 281,349</u>	<u>\$ 268,109</u>	<u>\$ 517,735</u>	<u>\$ 519,647</u>

- (a) Represents charges related to the restructuring of certain corporate functions including costs for severance, retention, outplacement, consulting fees, and other third-party fees. Adjusted EBITDA for the thirteen and twenty-six weeks ended July 29, 2023 has been recast to include adjustments for restructuring charges to conform to the current period presentation.
- (b) Other non-cash items, including non-cash accretion on asset retirement obligations and obligations associated with our post-retirement medical plan.
- (c) Adjusted EBITDA for the thirteen and twenty-six weeks ended July 29, 2023 has been recast to exclude adjustments for pre-opening expenses and non-cash rent expense to conform to the current period definition.

BJ'S WHOLESALE CLUB HOLDINGS, INC.
Reconciliation to Adjusted Free Cash Flow
(Amounts in thousands)
(Unaudited)

	<u>Thirteen Weeks Ended August 3, 2024</u>	<u>Thirteen Weeks Ended July 29, 2023</u>	<u>Twenty-six Weeks Ended August 3, 2024</u>	<u>Twenty-six Weeks Ended July 29, 2023</u>
Net cash provided by operating activities	\$ 221,351	\$ 150,368	\$ 422,198	\$ 269,500
Less: Additions to property and equipment, net of disposals	(133,879)	(122,156)	(239,620)	(214,240)
Plus: Proceeds from sale-leaseback transactions	—	5,988	—	5,988
Adjusted free cash flow	<u>\$ 87,472</u>	<u>\$ 34,200</u>	<u>\$ 182,578</u>	<u>\$ 61,248</u>

BJ'S WHOLESALE CLUB HOLDINGS, INC.
Reconciliation of Net Debt and Net Debt to LTM adjusted EBITDA
(Amounts in thousands)
(Unaudited)

	<u>August 3, 2024</u>
Total debt	\$ 615,586
Less: Cash and cash equivalents	38,058
Net debt	<u>\$ 577,528</u>
Income from continuing operations	\$ 532,346
Interest expense, net	60,269
Provision for income taxes	185,195
Depreciation and amortization	247,240
Stock-based compensation expense	38,316
Restructuring	15,911
Other adjustments	940
Adjusted EBITDA	<u>\$ 1,080,217</u>
Net debt to LTM adjusted EBITDA	0.5x

See descriptions of adjustments in the “Reconciliation to Adjusted EBITDA (unaudited)” table above.

Investor Contact:

Catherine Park
Vice President, Investor Relations
cpark@bjs.com
774-512-6744

Media Contact:

Kirk Saville
Head of Corporate Communications
ksaville@bjs.com
774-512-5597