BJ's Wholesale Club Investor Presentation

Wholesale Club

November 2024

Forward-Looking Statements:

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this presentation 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; our anticipated long-term financial outlook; our strategic priorities and future progress, as well as statements that include the words "expect," "intend," "plan," "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 inflation or interest rates; supply chain disruptions; construction delays; 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 successfully implement our proposed membership fee increase; 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 in subsequent Form 10-Q's filed 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 presentation. Any such forward-looking statements represent management's estimates as of the date of this presentation. 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 presentation.

Industry Information:

Market data and industry information used throughout this presentation are based on management’s knowledge of the industry and the good faith estimates of management. We also relied, to the extent available, upon management’s review of independent industry surveys and publications and other publicly available information prepared by a number of third-party sources. Although we believe that these sources are reliable, we cannot guarantee the accuracy or completeness of this information, and we have not independently verified this information. All of the market data and industry information used in this presentation involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. While we believe the estimated market position, market opportunity and market size information included in this presentation are generally reliable, such information, which is derived in part from management’s estimates and beliefs, is inherently uncertain and imprecise. Projections, assumptions and estimates of our future performance and the future performance of the industry in which we operate are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described above. These and other factors could cause results to differ materially from those expressed in our estimates and beliefs and in the estimates prepared by independent parties.

Non-GAAP Financial Measures:

We present adjusted EBITDA, adjusted EPS, free cash flow, and Net Debt to LTM adjusted EBITDA to help us describe our operating performance. Our presentation of these measures is intended as a supplemental measure of our performance that is not required by, or presented in accordance with, U.S. generally accepted accounting principles (“GAAP”). Adjusted EBITDA, free cash flow, and adjusted EBITDA margin should not be considered as an alternative to operating income (loss), net income (loss), earnings per share or any other performance measures derived in accordance with U.S. GAAP as measures of operating performance or operating cash flows or as measures of liquidity. Our presentation of adjusted EBITDA, free cash flow, and adjusted EBITDA margin should not be construed to imply that our future results will be unaffected by these items. A reconciliation of these non-GAAP financial measures to the most comparable GAAP financial measures are included in the Appendix to this presentation.

Q3 FY24: Strong execution and great value drives momentum in traffic and membership, including milestone of 7.5 million members

A stronger company today, built on our strategic priorities

Improve member loyalty

Unbeatable member experience

Deliver value conveniently

Grow our footprint

7.5M
Members

$115.0 M
MFI[1] +8.4% vs. Q3 FY23

90%
Tenured renewal rate[2]

39%
Higher-tier penetration

Co-brand partnership with **Capital One** enhances value proposition

Focus on **value** continues to resonate in current environment demonstrated by growth in **traffic, units sold and market share**

+30%
Digitally-enabled comparable sales growth

90%+
Digital sales fulfilled in-club

25.5%
Own brand penetration[2]

Opened **3** new clubs and **4** new gas stations in Q3 FY24

Currently operates **247** clubs and **182** gas stations

Company expects to operate more than **250** clubs by fiscal year end 2024

Q3 FY24 results

$5.0B
Net sales +3.4% vs. Q3 FY23

+3.8%
Comparable club sales ex. the impact of gasoline vs. Q3 FY23

+20bps
Merchandise gross margin rate vs. Q3 FY23

$308.3M
Adjusted EBITDA[3] +13.5% vs. Q3 FY23

$1.18
Adjusted EPS[3] +18.0% vs. Q3 FY23

$201.4M
Free cash flow[3]

Strong balance sheet and free cash flow provide strategic flexibility

- Capital allocation priority remains investing in the business
- Net debt to LTM adjusted EBITDA[3] of **0.5x**
- Returned **$129.3M** to shareholders via share repurchases (YTD Q3 FY24)
- Announced new **$1 billion** share repurchase program

[1] Membership fee income
[2] As of FY23. Stats reported annually
[3] Refer to Appendix section

Key investment highlights

Advantaged **business model** in a favorable market backdrop

Loyal **membership** base that is growing in **size** and **quality**

Differentiated shopping experience focused on **fresh, value** and **convenience**

Accelerated **expansion** of highly profitable club base

Prudent **capital allocation** strategy maximizes **shareholder value**

The warehouse club model offers significant structural advantages

Operate efficiently

- Limited SKUs support pallet presentation, driving scale and inventory turns
- Requires less labor in club
- Efficient distribution
- Lower per square foot build-out costs

Constantly reinvest into value

- ~25% better prices than grocery[1]
- ~10x return on annual membership fee
- Compelling promotions and awards
- Fuel and services (tires, optical, etc.)

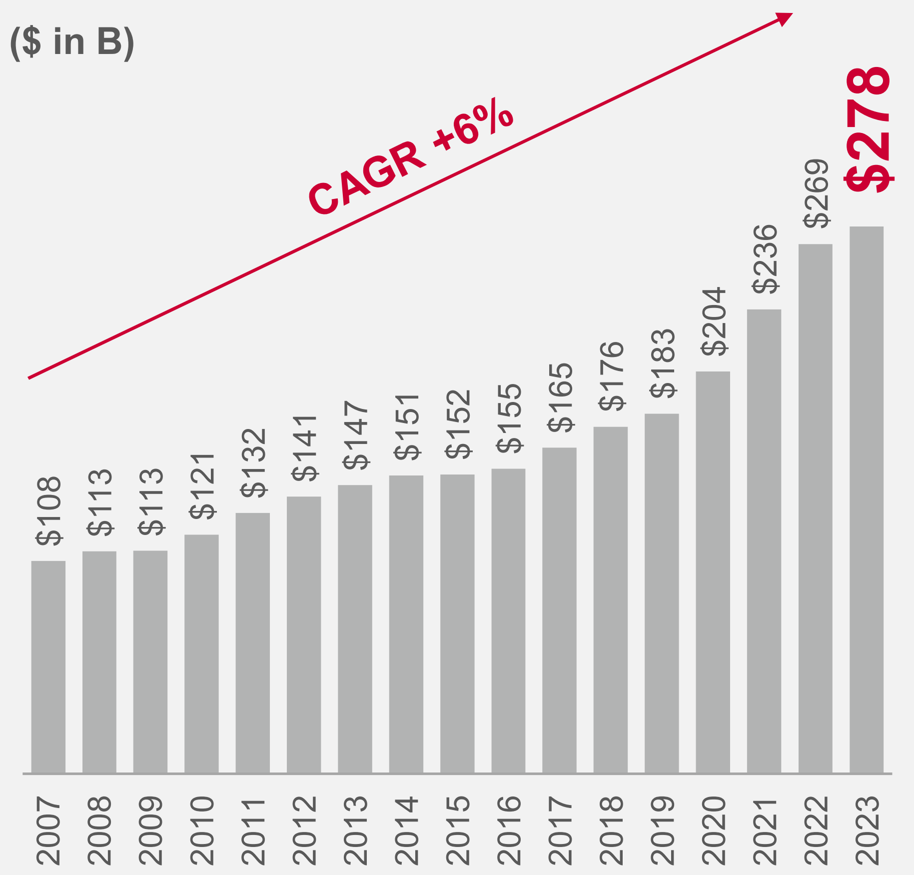
Earn member loyalty, stability and data

- 90% tenured renewal rate
- Membership fee drives spend consolidation and strong annuity
- Provides comprehensive data on members

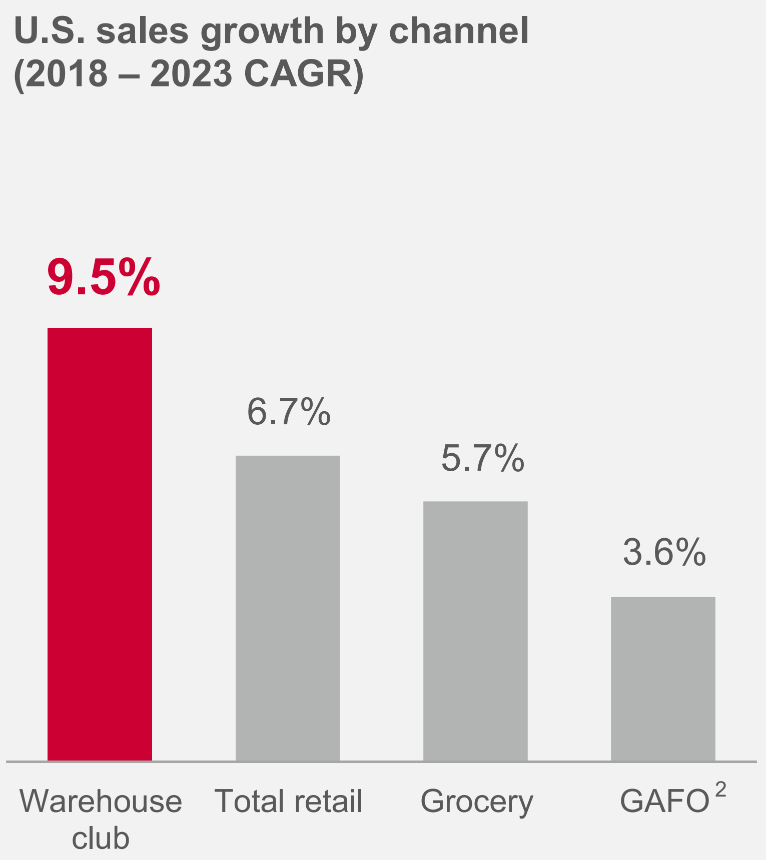
[1] 25% savings based on a representative basket of manufacturer-branded groceries compared to traditional supermarket competitors. For additional information, refer to our Form 10-K filed with the SEC on March 18, 2024

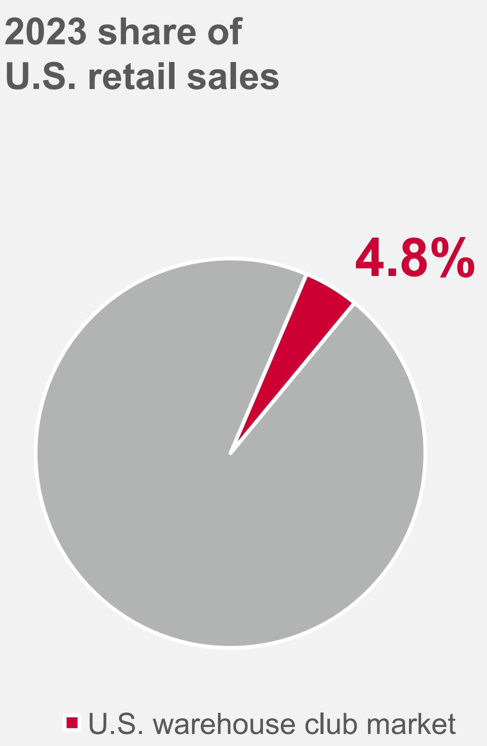
The warehouse club channel is growing and taking share

U.S. warehouse club market size[1]



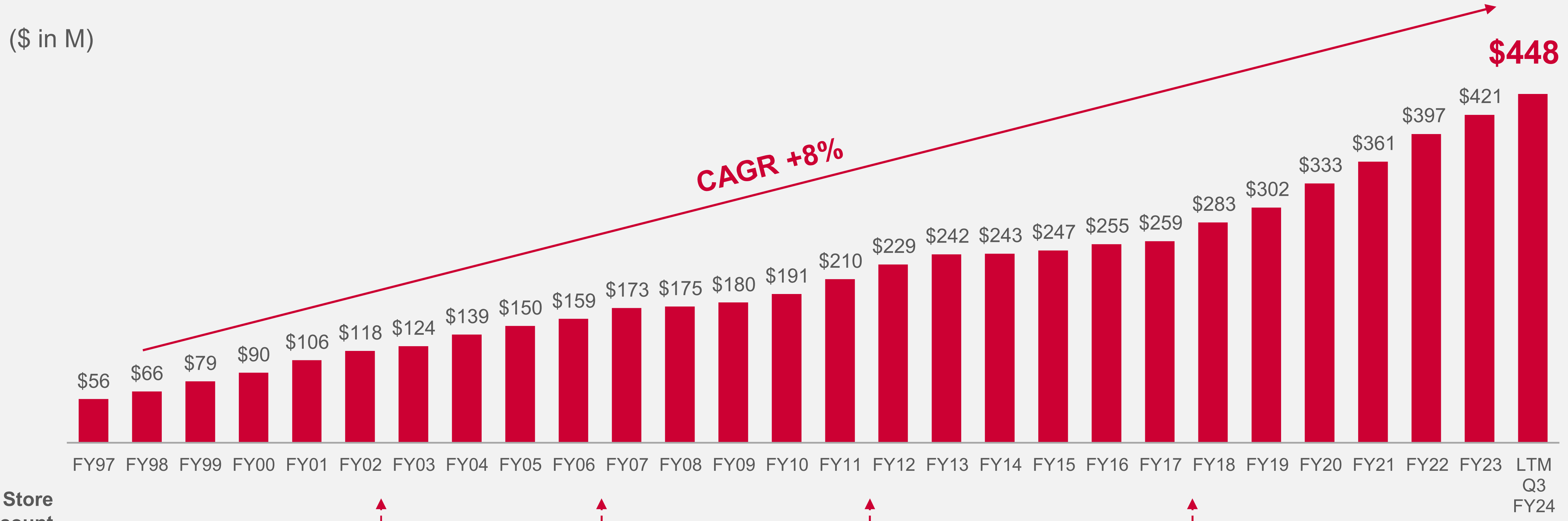
Accelerated share gains in recent years with opportunity for future growth[1]





[1] Source: HHC Publishing – 2023 Warehouse Club Focus; U.S. Census Bureau data (seasonally adjusted)
[2] GAFO represents stores that specialize in merchandise including furniture & home furnishings, electronics & appliances, computers, clothing & accessories, sporting goods, hobby, book, music, general merchandise, and office supplies

MFI has grown every year for over 25 years



	FY97	FY98	FY99	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	LTM Q3 FY24
Store count	84	96	107	118	130	140	150	157	165	172	177	180	187	189	195	198	201	207	213	214	215	216	217	221	226	235	243	247
Renewal rate[1]	81%	81%	83%	84%	82%	83%	84%	83%	83%	82%	82%	83%	83%	83%	82%	84%	83%	83%	84%	85%	86%	87%	87%	88%	89%	90%	90%	

MEMBERSHIP FEE INCREASE

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[1] Represents tenured renewal rate which is reported annually

BJ's go-to-market strategy is differentiated

vs. Club

- Broader assortment
- Smaller pack sizes
- Smaller club format
- Convenient locations
- Full-service deli

vs. Grocery

- ~25% lower prices[1]
- Treasure hunt
- Services & fuel

vs. Mass channel

- Price below mass channel break-even
- Larger pack sizes

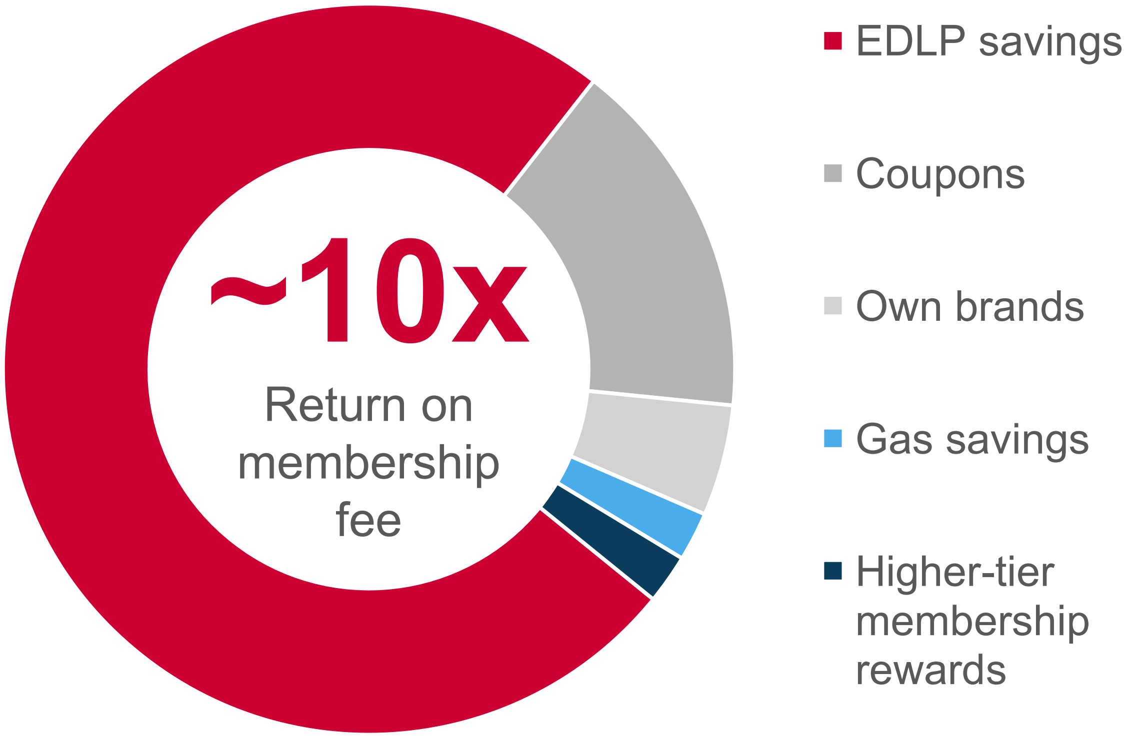
[1] 25% savings based on a representative basket of manufacturer-branded groceries compared to traditional supermarket competitors. For additional information, refer to our Form 10-K filed with the SEC on March 18, 2024

We strive to deliver a great member experience grounded in value

How members save at BJ's

- Lower prices
- Fresh food and deli assortment can fulfill weekly grocery shopping needs
- Quality own brand products
- Digital app allows for convenient shopping and coupon usage
- Low-priced fuel and services
- Attractive credit card rewards

Illustrative member savings[1]



[1] Estimate of average annual member savings. Assumes Every Day Low Price ("EDLP") savings versus traditional grocery

Our goal is to deliver convenience to our members

1

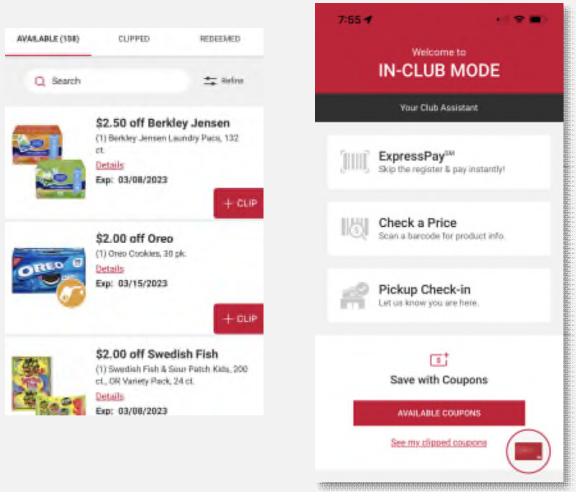
Digitally-enabled sales

- BOPIC[1] / Curbside pickup
- Same-day delivery ("SDD")
- Ship-to-home, Express Pay, other[2]

2

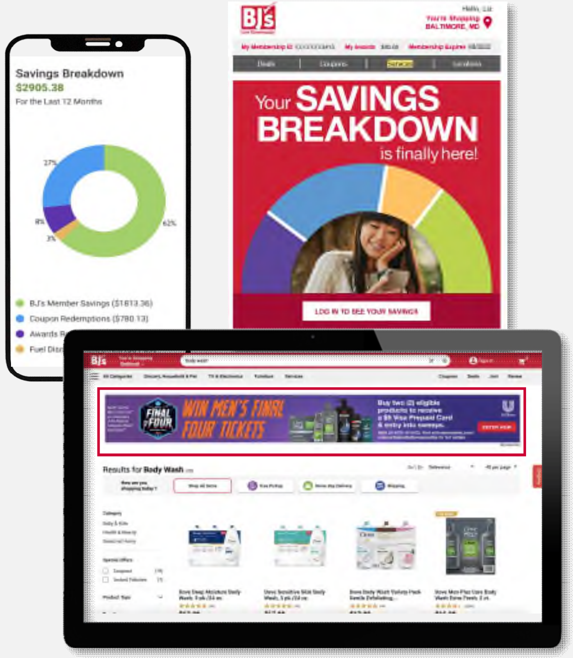
In-club conveniences

- Price scan
- In-club coupons
- Deli pre-ordering



3

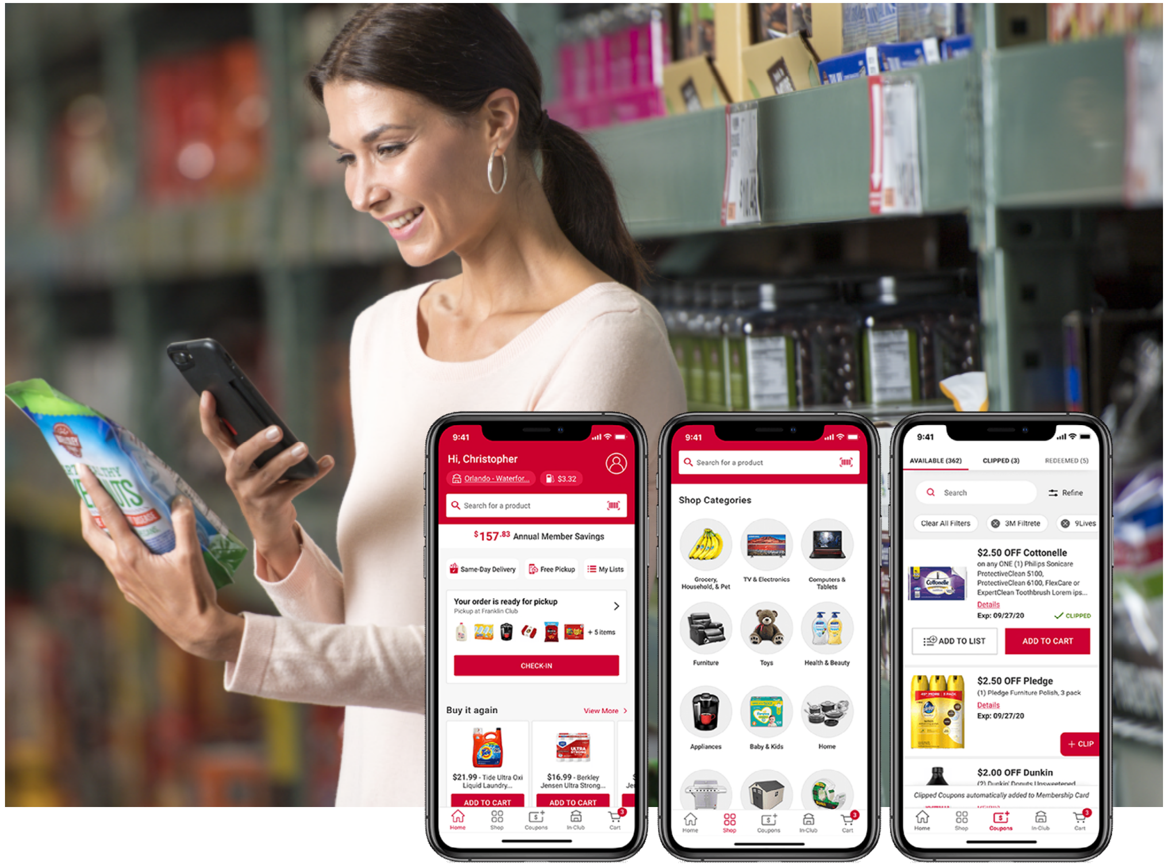
Targeted messaging and retail media program



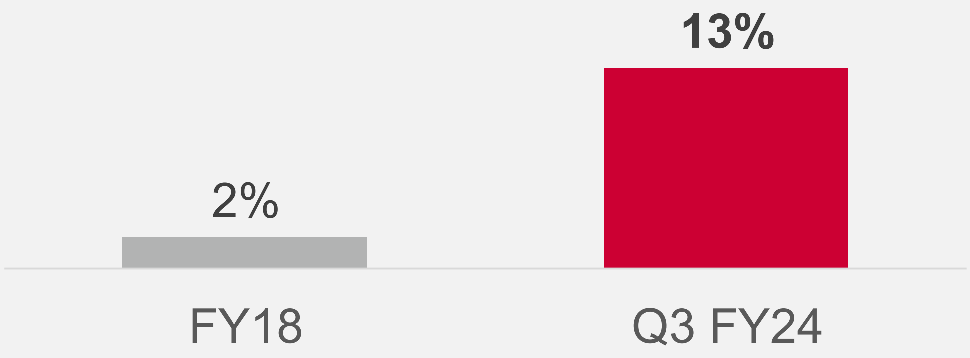
[1] Buy online, pick up in club
[2] All other digital offering e.g. services

The convenience of our digital offerings drives spend

Digital members[1] spend approximately 90% more with us annually[2]



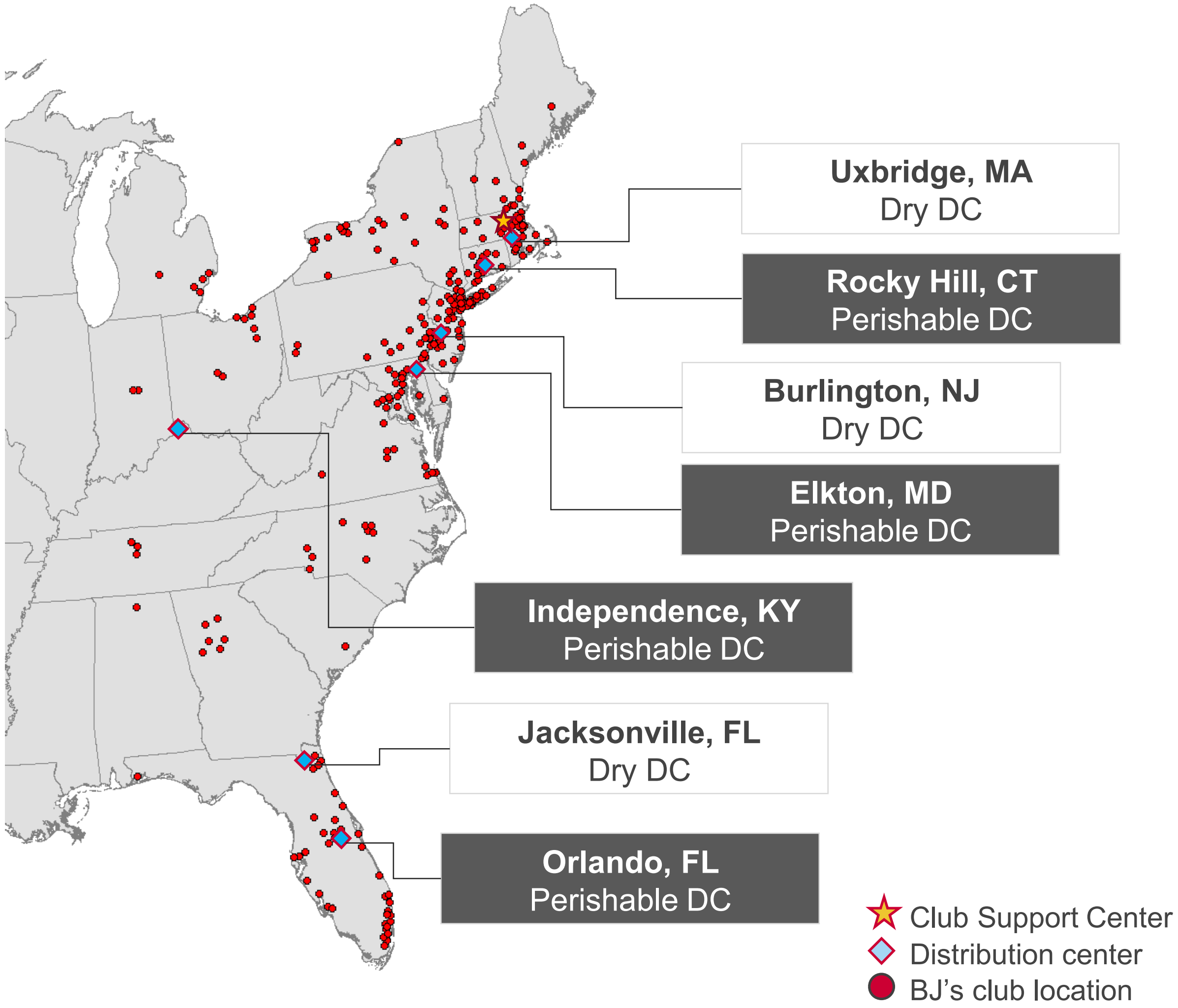
Digitally-enabled comp sales grew 30% in Q3 FY24



Digital penetration %[3]

[1] Members making at least one digitally-enabled purchase (BOPIC/Curbside pickup, same-day delivery, ship-to-home and Express Pay) in FY23
[2] Compared to members who only shop in-club
[3] As a % of merchandise sales

We have an advantaged real estate position built over 40 years



We have an industry leading footprint on the east coast and are expanding

247 Clubs[1]	**182** Gas stations[1]	**20** States[1]

- Leading positions in core Eastern U.S. markets
- ~3x clubs vs. next largest competitor in New England[2]
- Accelerated new unit growth in recent years
- Expect to open ~10 new units per year for the foreseeable future

[1] As of November 2024
[2] Refers to core New England markets: CT, MA, ME, NH, RI and VT; Compares to Costco and Sam's Club count as of latest published annual reports

We have continually refined our new club opening playbook

Improved member acquisition

- Robust integrated pre-open campaign
- Digital acquisition marketing
- Higher-tier/co-brand acquisition

Elevated in-club experience

- Team member training & GOLD standard certification
- Improved omnichannel convenience

Fine-tuned offering

- More focused assortment
- Fresh

We have delivered significant growth since 2018

FY23 vs. FY18			
+54% Net sales	**+49%** MFI	**90%** Tenured renewal rate	**+91%** Adjusted EBITDA[1]
+198% Adjusted EPS[1]	**$2.3B+** Cumulative free cash flow[1]	**0.6x** Net debt to adjusted EBITDA[1]	**~$625M** Cumulative share repurchases

[1] Refer to Appendix section

Our long-term financial targets reflect continued momentum

Comparable club sales[1]	Total revenues	EPS
LSD% – MSD% growth	MSD% growth	HSD% – LDD% growth

[1] Excluding the impact of gasoline sales

We are maximizing shareholder value through disciplined capital allocation

Reinvest for long-term growth

- Highest capital return priority remains investing in the business to support strategic growth priorities
- Brought end-to-end perishable distribution network in-house in FY22 via acquisition of four distribution centers[1]

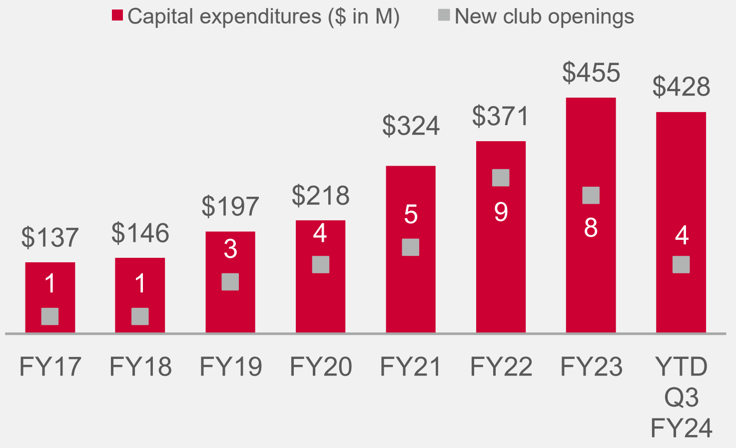
Maintain strong balance sheet

- De-levered balance sheet since 2018 initial public offering
- The company remains focused on maintaining balance sheet strength to maximize strategic flexibility

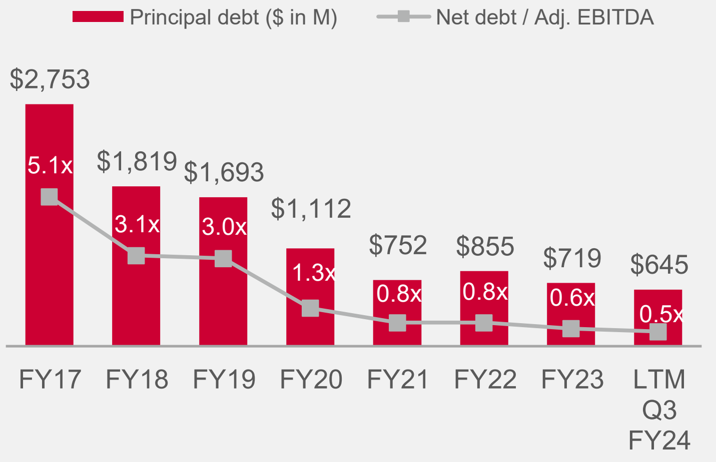
Return cash to shareholders

- Share repurchase remains the preferred method of returning cash to shareholders
- ~$61M available under current $500M share repurchase program[2] expiring January 2025
- Announced new $1B share repurchase program expiring January 2029

Capex ramping as new club openings accelerate

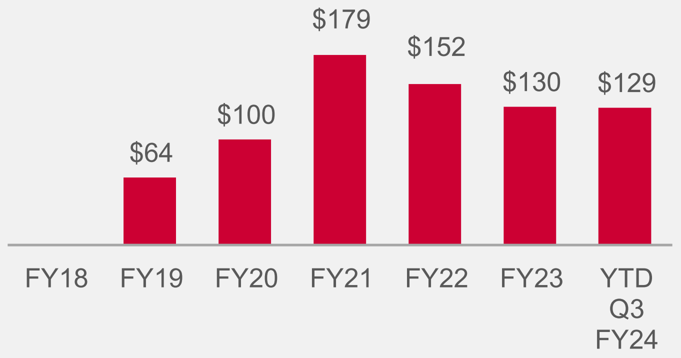


Reduced debt by $2B+ since FY17



Over $750M of shares buybacks since FY18[3]

($ in M)



[1] Transaction closed on May 2, 2022. Acquisition included related private transportation fleet
[2] As of November 2, 2024
[3] Includes 2.5 million shares repurchased by the company in connection with the secondary offering of shares of the company's common stock by certain selling shareholders completed on June 27, 2019

Appendix

GAAP to non-GAAP reconciliations

Adjusted EBITDA

(in M)	FY17	FY18	FY19	FY20	FY21	FY22	FY23	YTD Q3 FY23	YTD Q3 FY24	LTM Q3 FY24
Income from continuing operations	$ 52	$ 127	$ 188	$ 421	$ 427	$ 514	$ 524	$ 378	$ 412	$ 558
Interest expense, net	197	165	108	84	59	47	65	49	39	55
Provision (benefit) for income taxes	(28)	12	56	137	131	176	212	160	143	195
Depreciation and amortization	164	162	157	167	181	201	228	166	194	256
Compensatory payments related to options	78	-	-	-	-	-	-	-	-	-
Stock-based compensation expense	9	59	19	32	54	43	39	29	30	40
Management fees	8	3	-	-	-	-	-	-	-	-
Strategic consulting	30	33	11	-	-	-	-	-	-	-
Restructuring and other	9	1	4	-	2	-	14	8	7	13
Offering costs	-	4	2	-	-	-	-	-	-	-
Club closing costs and impairment charges	-	-	15	-	-	-	-	-	-	-
Acquisition and integration costs	-	-	-	-	4	12	-	-	-	-
Other adjustments	6	1	(3)	1	1	15	1	1	1	1
Adjusted EBITDA	**$ 525**	**$ 567**	**$ 558**	**$ 842**	**$ 859**	**$ 1,009**	**$ 1,082**	**$ 791**	**$ 826**	**$ 1,117**

Numbers may not foot due to rounding
Note: As of FY23, the company amended its adjusted EBITDA definition to exclude preopening expense and non-cash rent expense. All prior year periods have been recast to conform to the current period definition

GAAP to non-GAAP reconciliations

Net debt to LTM adjusted EBITDA

(in M)	FY17	FY18	FY19	FY20	FY21	FY22	FY23	11/2/2024
Total debt	$ 2,712	$ 1,801	$ 1,681	$ 1,106	$ 749	$ 853	$ 717	$ 644
Less: Cash and cash equivalents	35	27	30	44	45	34	36	34
Net debt	**$ 2,677**	**$ 1,774**	**$ 1,650**	**$ 1,063**	**$ 703**	**$ 819**	**$ 681**	**$ 610**
LTM adjusted EBITDA	$ 525	$ 567	$ 558	$ 842	$ 859	$ 1,009	$ 1,082	$ 1,117
Net debt to LTM adjusted EBITDA	**5.1x**	**3.1x**	**3.0x**	**1.3x**	**0.8x**	**0.8x**	**0.6x**	**0.5x**

Numbers may not foot due to rounding

Note: As of FY23, the company amended its adjusted EBITDA definition to exclude preopening expense and non-cash rent expense. All prior year periods have been recast to conform to the current period definition

GAAP to non-GAAP reconciliations

Adjusted EPS

(in M, except per share data)	FY18	FY19	FY20	FY21	FY22	FY23	Q3 FY23	Q3 FY24
Net income as reported	$ 127	$ 187	$ 421	$ 427	$ 513	$ 524	$ 130	$ 156
Adjustments:								
Offering costs	4	2	-	-	-	-	-	-
Stock-based compensation related IPO	49	-	-	-	-	-	-	-
Management fees	3	-	-	-	-	-	-	-
Stock-based compensation related to acceleration of stock awards	-	-	-	17	-	-	-	-
Acquisition and integration costs	-	-	-	4	12	-	-	-
Home office transition costs	-	-	-	1	15	-	-	-
(Gain) loss on termination and impairment on discontinued operations club lease	4	15	-	-	1	-	-	-
(Gain) loss on cash flow hedge	-	-	7	6	(0)	-	-	-
(Gain) loss on sale leaseback transactions	-	(3)	-	-	-	-	-	-
Charges and write-offs related to debt	25	4	4	1	3	2	2	-
Restructuring and other	4	4	-	2	-	13	5	2
Tax impact of adjustments to net income	(31)	(6)	(3)	(9)	(9)	(4)	(2)	(1)
Adjusted net income	**$ 186**	**$ 203**	**$ 429**	**$ 449**	**$ 535**	**$ 535**	**$ 136**	**$ 157**
Weighted-average diluted shares outstanding	140	139	139	138	136	135	135	133
Adjusted EPS	**$ 1.33**	**$ 1.46**	**$ 3.09**	**$ 3.25**	**$ 3.92**	**$ 3.96**	**$ 1.00**	**$ 1.18**

Numbers may not foot due to rounding

GAAP to non-GAAP reconciliations

Free cash flow

(in M)	FY18	FY19	FY20	FY21	FY22	FY23	Q3 FY24
Net cash provided by operating activities	$ 427	$ 355	$ 869	$ 832	$ 788	$ 719	$ 207
Less: Additions to property & equipment, net of disposals	146	197	218	324	398	467	188
Plus: Proceeds from sale leaseback transactions	-	22	26	19	27	12	-
Free cash flow	**$ 281**	**$ 180**	**$ 676**	**$ 527**	**$ 418**	**$ 264**	**$ 19**

Numbers may not foot due to rounding