

BJ's Wholesale Club Holdings, Inc.

Investor Presentation

August 2022

Disclaimer

Forward-Looking Statements:

This presentation contains forward-looking statements that are subject to risks and uncertainties. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical facts or relating to present facts or current conditions included in this presentation are forward-looking statements, including, without limitation, statements regarding our future results of operations and financial position, business strategy, transformation, strategic priorities and future progress, including expectations regarding deferred revenue, lease commencement dates, impact of infrastructure investments on our operating model and selling, general and administrative expenses, sales of gasoline and gross profit margin rates, and new club and gas station openings, as well as statements that include terms such as “anticipate,” “estimate,” “expect,” “predict,” “project,” “seek,” “plan,” “intend,” “believe,” “will,” “may,” “could,” “continue,” “forecast,” “likely,” “should,” and other words and terms of similar meaning. The forward-looking statements included in this presentation are only predictions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. As you consider this presentation, you should understand that these statements are not guarantees of performance of results. These statements involve known and unknown risks, uncertainties and other important factors that may cause our 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, 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 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); the risks and uncertainties related to the impact of the COVID-19 pandemic, including the duration, scope and severity of the pandemic, federal, state and local government actions or restrictive measures implemented in response to COVID-19, the effectiveness of such measures, as well as the effect of any relaxation or revocation of current restrictions, and the direct and indirect impact of such measures; 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 realize the anticipated benefits of the Burris acquisition; 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 17, 2022, which are accessible on the SEC’s website at www.sec.gov. Additional factors or events that could cause our actual performance to differ from these forward-looking statements may emerge from time to time, and it is not possible for us to predict all of them. Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, our actual financial condition, results of operations, future performance and business may vary in material respects from the performance projected in these forward-looking statements. Any forward-looking statement made by us in this presentation speaks only as of the date on which it is made. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.

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, free cash flow, and adjusted EBITDA as a percentage of net sales, adjusted EBITDA margin, LTM adjusted EBITDA 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.

Leading operator of membership warehouse clubs, serving smart saving families

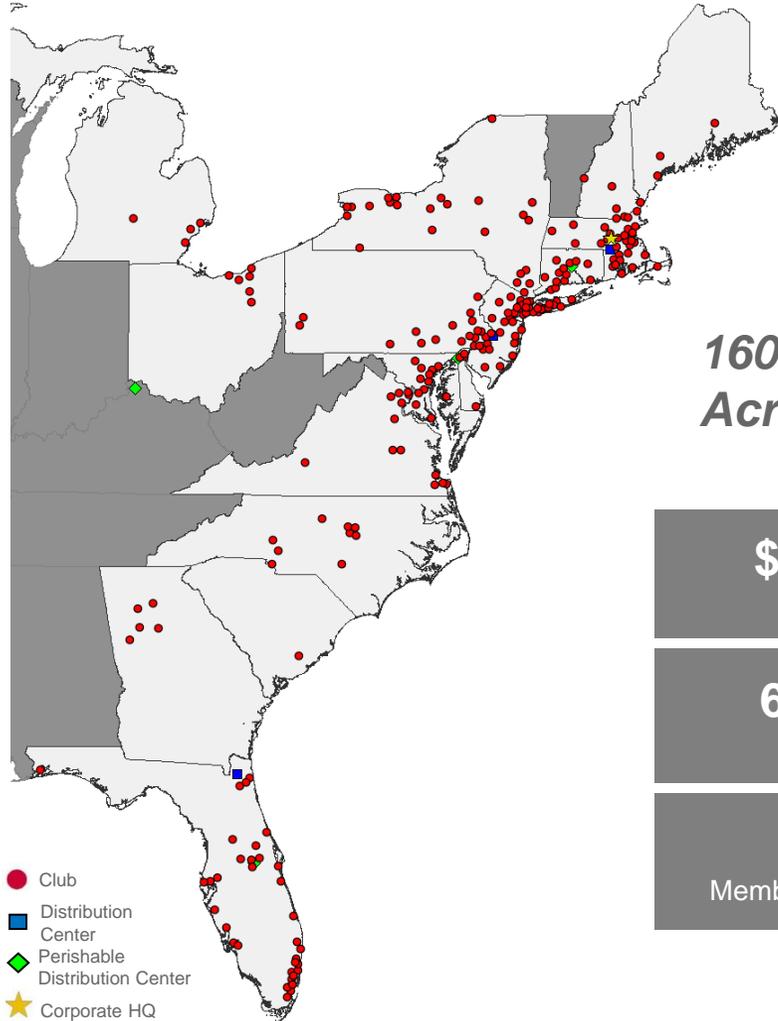
Presence and Size

229 Clubs
160 Gas Stations
Across 17 States

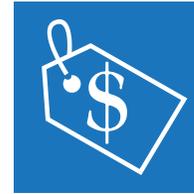
\$16.7 billion
 Total Revenue¹

6.5+ million
 Memberships¹

89%
 Membership Renewal Rates¹



Core Value Proposition



Value

- Prices in line with club competitors and ~25% lower than grocery
- Extensive private label, low-priced fuel and attractive credit card program



Real Estate

- Leading positions in core Eastern U.S. markets, expanding in current and new markets
- ~3x clubs vs. next largest competitor in New England²



Membership

- Large, loyal and growing membership base, focus on elevating value of membership
- Access to comprehensive member data



Assortment and Convenience

- Large selection of fresh food and perishables, 50% more consumable selection vs. largest competitors
- Wide range of digital capabilities enabling convenience

¹ Based on FY21 results except membership as of Q2 FY22.

² Refers to core New England markets: CT, MA, ME, NH, RI, and VT.

Q2 FY22: Company reported record results driven by strong membership trends, member traffic growth and a robust gas quarter



Net Sales
\$5.0 billion



Comp Sales¹
+7.6%



MFI
\$99 million



Adjusted EBITDA²
\$274 million



Adjusted EPS³
\$1.06



Net debt to LTM adjusted EBITDA²
0.9x

¹ Excluding the impact of gas sales.

² Refer to Appendix section.

³ Refer to "Note Regarding Non-GAAP Financial Information" within the company's Q2 FY22 earnings press release on the investor relations site <https://investors.bjs.com/>.

Investment Highlights

✓ Favorable Warehouse Club Industry Dynamics



✓ Differentiated Shopping Experience



✓ Large and Loyal Membership Base



✓ Attractive Business Model with Strong Profitability and Free Cash Flow



✓ Growth Strategy Delivering Long Term Results

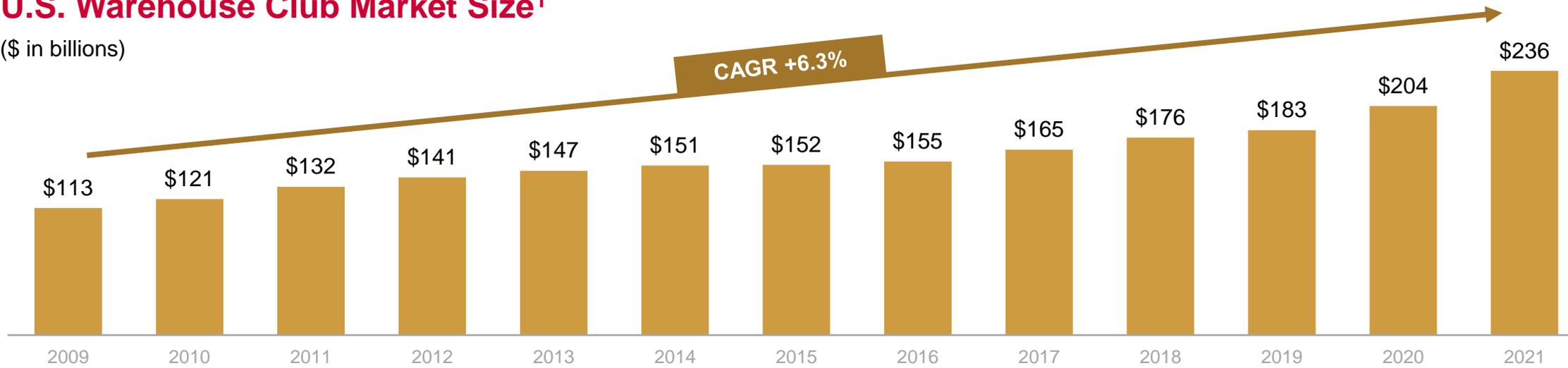




Favorable warehouse club industry dynamics

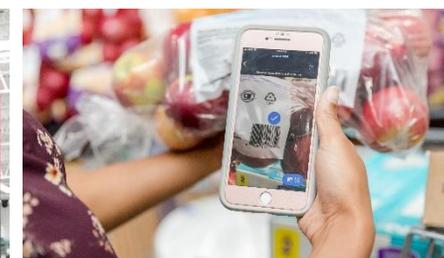
U.S. Warehouse Club Market Size¹

(\$ in billions)



The Club Business Model

- Clear value, transparent pricing environment
- Treasure hunt
- Membership fee subscription model
- Comprehensive customer data
- Favorable demographic trends
- Structural cost advantage
- Deliver convenience through digital capabilities



¹ Warehouse Club Intelligence Center – 2021 Warehouse Club Guide

BJ's offers differentiated shopping experience with price advantages

vs. Other Club

- Wider selection of SKUs, especially in fresh and fresh Deli
- Smaller pack sizes
- Accepts manufacturer coupons
- Smaller club format in convenient locations



PRICE IN LINE



vs. Grocery

- Drives "treasure hunt" experience with general merchandise
- Ancillary services and fuel

~25%
LOWER PRICE



vs. Mass

- Bulk-sized SKUs offering
- Better fuel proposition
- Curated assortment



LOWER PRICE



vs. Online Grocery

- Market leading fuel offering
- "Treasure hunt" experience
- Digital offering with BOPIC¹, curbside and same day delivery (SDD)

SIGNIFICANTLY
LOWER PRICE

¹ BOPIC refers to Buy Online Pickup in Club.



Large growing membership base

6.5+ Million Members

- Membership a key leading indicator
- Member lifetime value (LTV) of >10x acquisition cost
- ~\$2k annual spend per shopper + 89% renewal rate
- Best-in-class co-branded credit card program
- Higher-tier membership offers incremental value and enhances renewal rates
- Digital offering driving younger member engagement with larger baskets

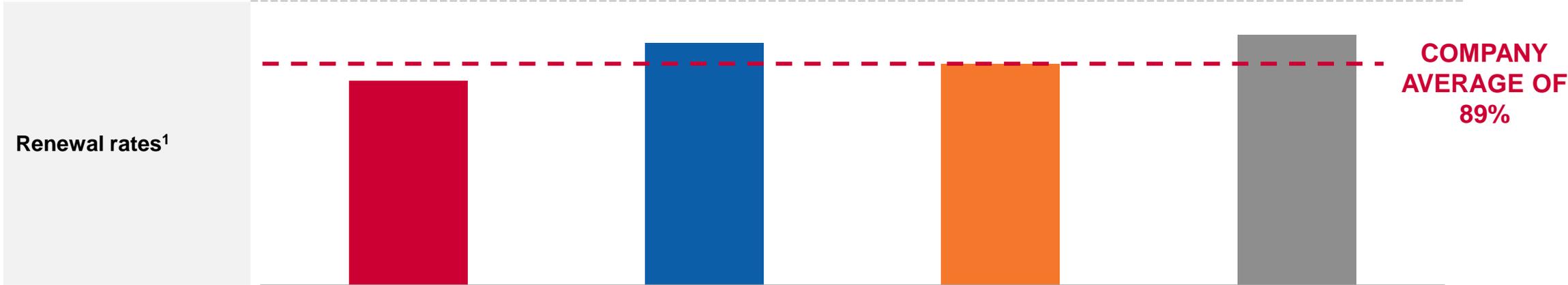




Higher-tier membership drives improved retention and fuels growth



Membership Fee	\$55	\$55	\$110	\$110
Earn-back rates on spend @ BJ's	--	3% at point-of-sale	2% at point-of-sale	5% at point-of-sale
Savings on BJ's gas	--	10¢ / gallon	--	10¢ / gallon



DELIVERED OVER \$190 MILLION IN REWARDS TO MEMBERS²

¹ Represents tenured renewal rate.
² Rewards to members reflects FY21 member rewards spend payouts. Higher tier % as of Q2 FY22.

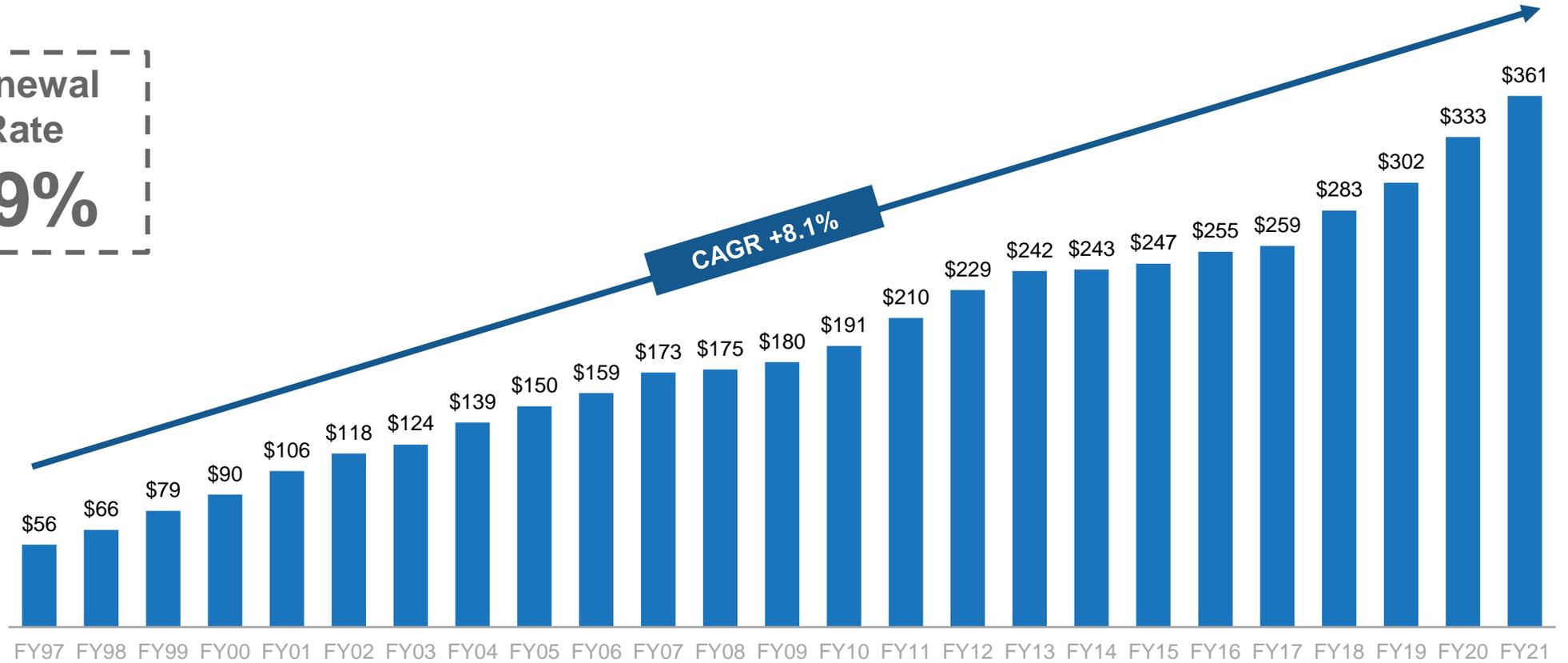


Consistent and predictable membership fee income growth

Membership Fee Income

(\$ in millions)

Renewal Rate
89%



	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
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
Renewal Rate	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%

MEMBERSHIP FEE INCREASE

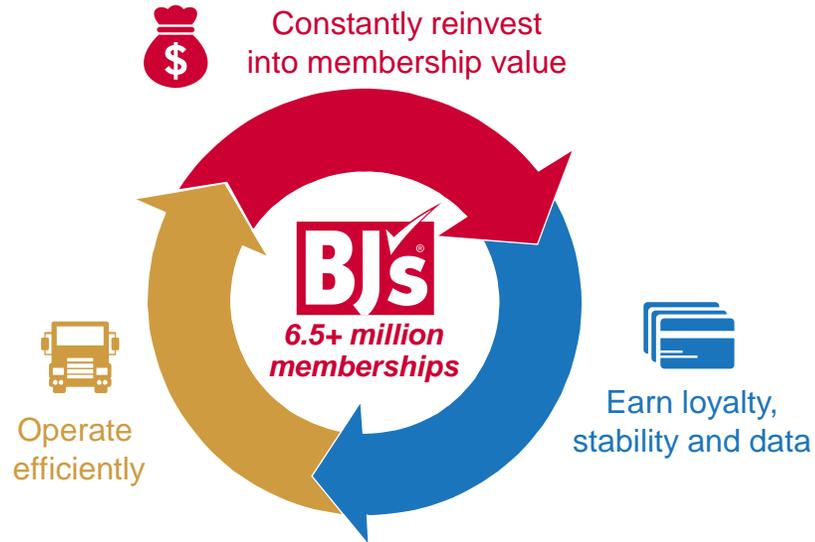
MEMBERSHIP FEE INCREASE

MEMBERSHIP FEE INCREASE

MEMBERSHIP FEE INCREASE (JAN. 2018)

Lean cost structure and membership income driving stable profitability

BJ's Attractive Value Proposition

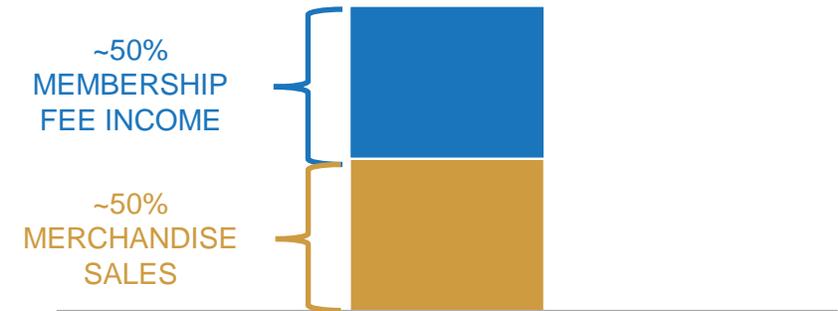


Structural differentiators that drive operational efficiency

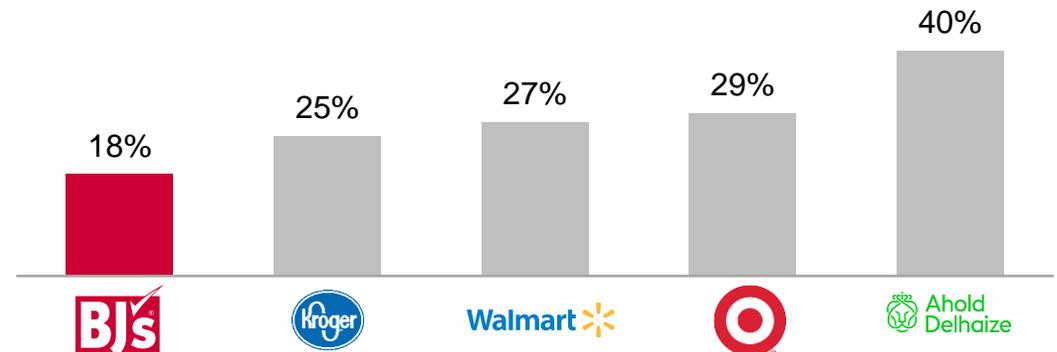
- Non-union labor and less labor required to operate
- Limited SKUs
- Pallet presentation
- Fast turn inventory and efficient distribution

Lean Cost Structure and Stable Membership Income

Illustrative Adjusted EBITDA



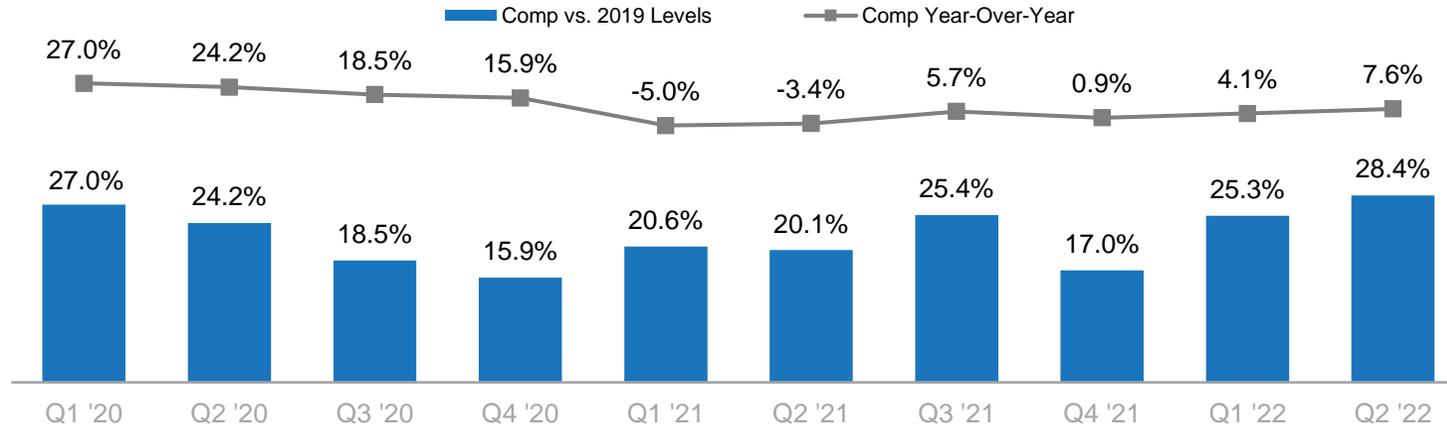
SG&A as % of COGS¹



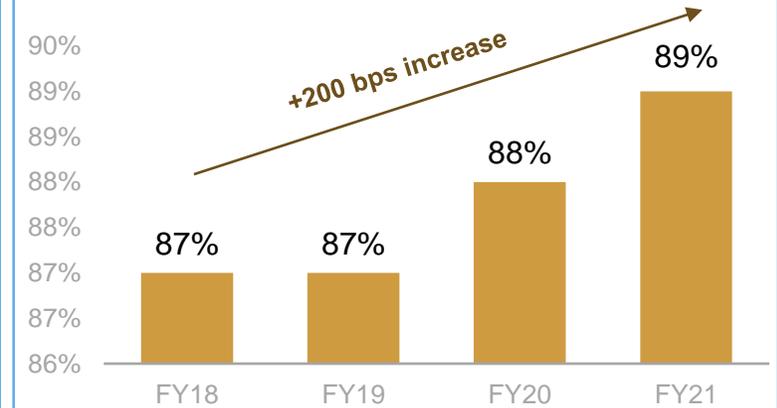
¹ FY21 results based on company filings. Adjusted for comparability. SG&A inclusive of depreciation & amortization, rent expense and pre-opening expenses.

Structural business investments driving progress in key metrics

Comparable Club Sales¹ vs. 2019 Levels

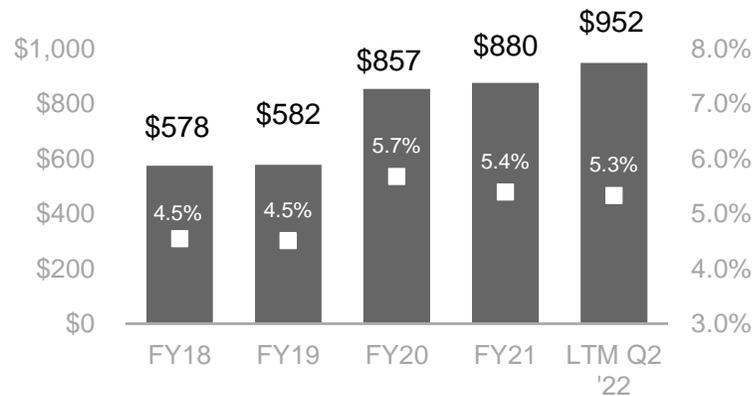


Increasing Renewal Rates



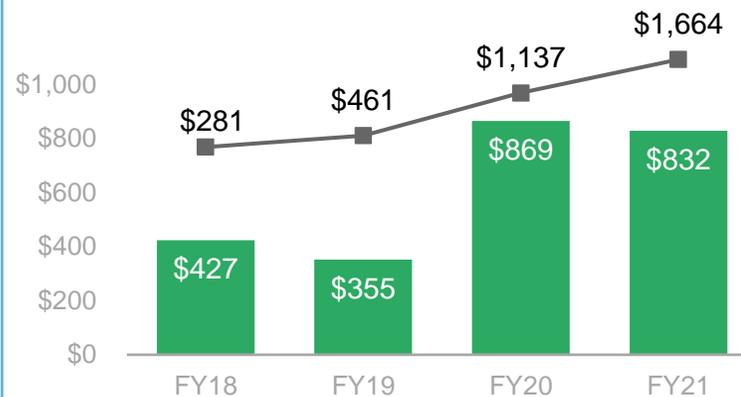
Adj. EBITDA (\$ in millions)

Adj. EBITDA Margin² (%)

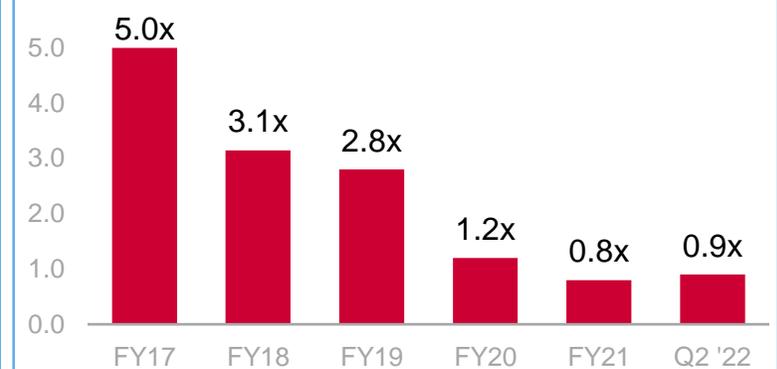


Cash From Operations

Cumulative Free Cash Flow since FY18 (\$ in millions)



Net Debt / LTM Adj. EBITDA



Note: Financials as of BJ's fiscal year ending on the Saturday closest to the last day of January of the following calendar year. FY17 consisted of 53 weeks. Renewal rates are updated on an annual basis. Refer to Appendix section for GAAP to Non-GAAP reconciliations.

¹ Comparable club sales excluding the impact of gasoline.

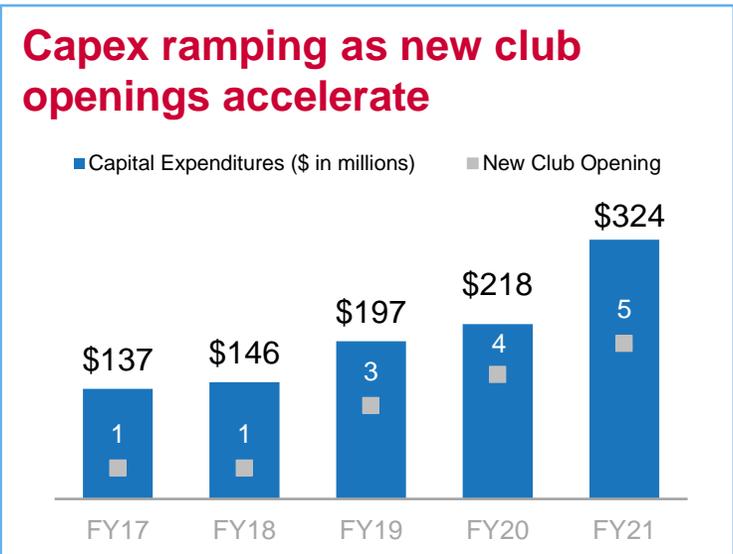
² Adj. EBITDA margin calculated as Adj. EBITDA as a percentage of Net Sales. Net Sales defined as (Total Revenue – Membership Fee Income).

Maximizing shareholder value through disciplined capital allocation strategy

1

Reinvest for long-term growth

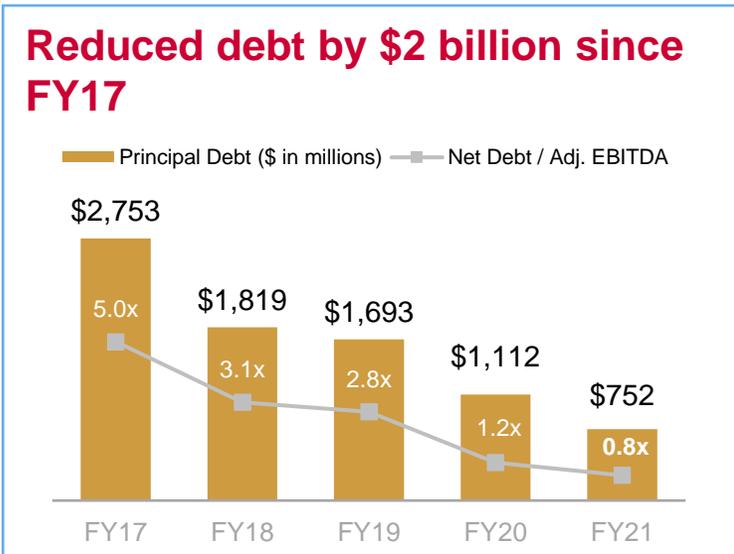
- Highest capital return priority remains reinvesting in the business to support **membership, digital and real estate expansion**
- Brought end-to-end **perishable distribution network** in-house via acquisition of four distribution centers¹



2

Maintain strong balance sheet

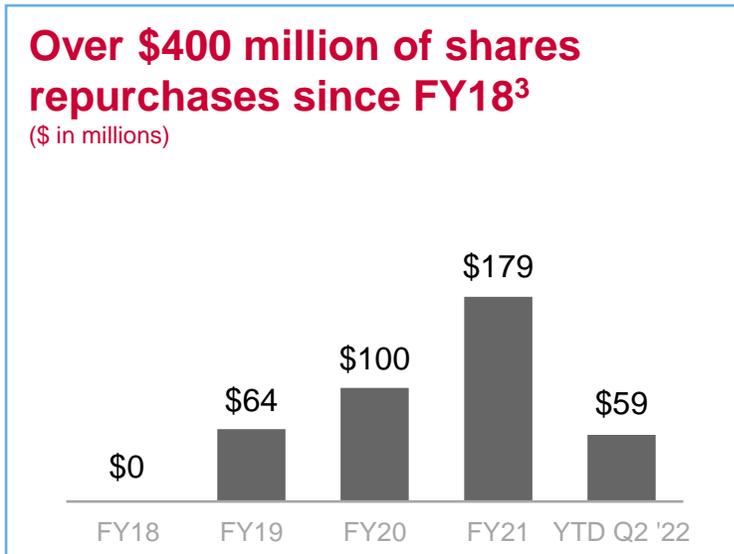
- **De-levered balance sheet** over the past five years
- The company remains focused on maintaining balance sheet strength to maximize **strategic flexibility**



3

Return cash to shareholders

- Share repurchase remains the preferred method of returning cash to shareholders
- \$413 million available under \$500 million share repurchase program²

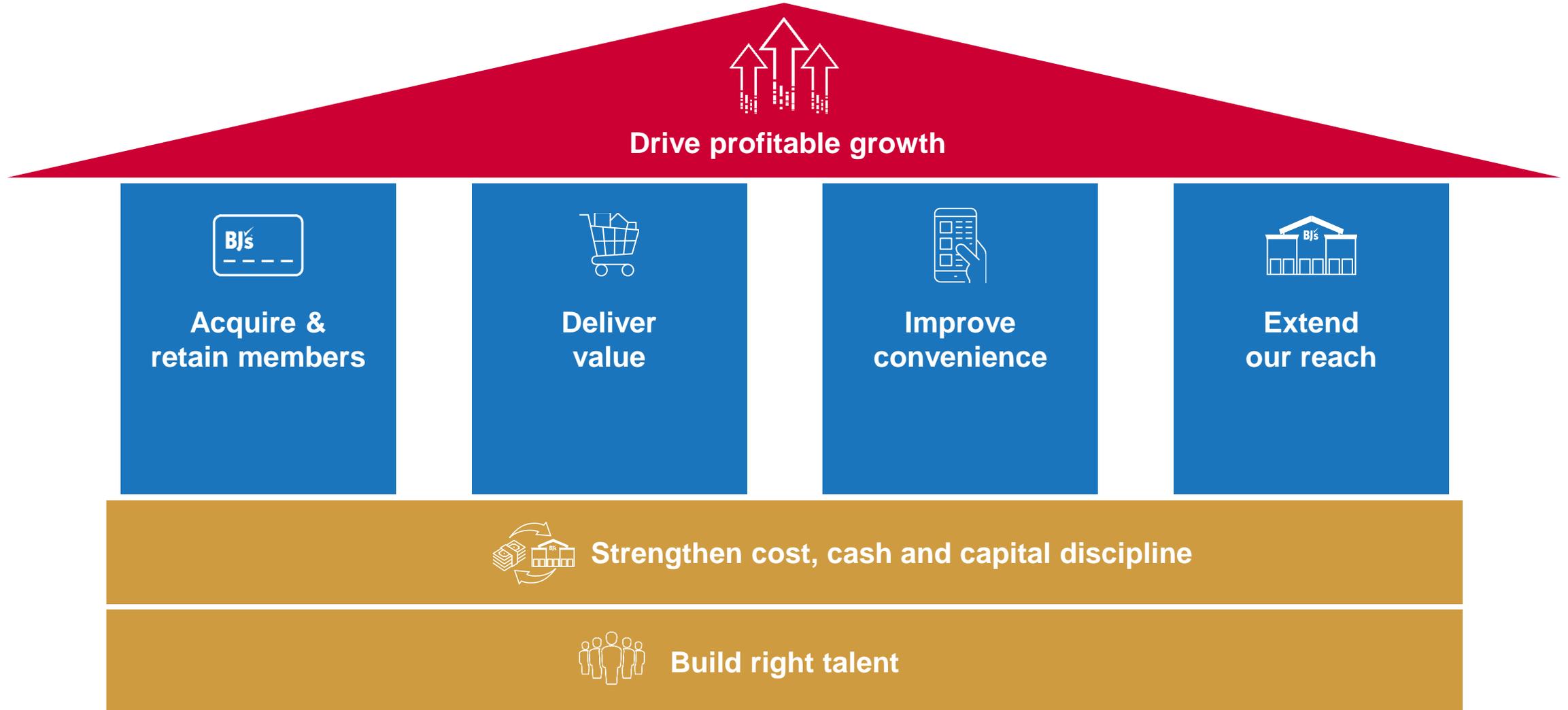


¹ Transaction closed on May 2, 2022. Acquisition included related private transportation fleet.

² As of July 30, 2022

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.

Our strategic priorities further drive sustained profitable growth



Much different and better company today than at 2018 IPO

THEN ¹
<p>5+ million members 86% renewal rate Higher-tier: 21% / Easy renewal: 39%</p>
<p>Less high-growth categories / limited services Private Label Penetration: 19%³ Digital: <2% of sales Limited BOPIC and delivery Recently launched app</p>
<p>Opened 1 new club Pipeline in early stages Goal was 1%-2% unit growth</p>
<p>5.0x Net Debt to LTM Adjusted EBITDA⁴ No share repurchase program</p>



NOW ²
<p>6.5+ million members 89% renewal rate Higher-tier: 37% / Easy renewal: 77%</p>
<p>Expansion of assortment and services Private Label Penetration: 25%³ Digital: ~8% of sales Added Curbside and BOPIC Fresh Multiple delivery partnerships</p>
<p>Opened 5 new clubs in 2021 Expect to open 11 new clubs in 2022 Robust pipeline accelerating growth</p>
<p>0.9x Net Debt to LTM Adjusted EBITDA⁴ \$500 million share repurchase program⁵</p>

¹ Data as of FY17.

² Data as of Q2 FY22, except renewal rate and digital % of sales as of FY21.

³ As a % of merchandise sales.

⁴ Refer to Appendix section.

⁵ Share repurchase program, of which \$413 million remained available as of July 30, 2022.



Corporate social responsibility



Mission Statement

BJ's Wholesale Club is committed to delivering outstanding products at an unbeatable value to our members



Sustainability Commitment

- High ethical standards
- Compliance with all laws that govern our business
- Providing high-quality products at unbeatable value
- Driving total value to shareholders



Team Members & Community

~40% of Club GMs started as hourly team members

~70% of GMs promoted from within

6.9 tons of food donated

- **Team Member Resource Groups** - Women's Forum, Pride, Citizens of the World, Young Professionals, Working Parents, Veterans
- **BJ's Feeding Community** - donate daily to local Feeding America member food banks
- **Local Community Involvement** – clubs support local organizations for hunger relief, education and wellness



Operations

582K tires recycled in FY21

55.7 tons of cardboard recycled in FY21

- **Solar and renewable energy** - solar panels at 50 clubs producing 6% of our total electricity
- **Efficient transportation** - freight volume and handling efficiencies, lowers carbon footprint
- All new **BJ's club locations** as of 2016 built with **100% LED lighting**



Merchandising

Continue to focus on improving sourcing standards, while maintaining our value proposition

Actively sourcing sustainable raw materials for private label products

- **Ongoing Sustainability Initiatives:**
 - ▶ Opportunities to **expand our organic portfolio**
 - ▶ Strategy to **reduce the environmental impact of packaging**
 - ▶ **Animal welfare policy:** work to ensure animals treated without cruelty

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✓ Large and Loyal Membership Base



✓ Attractive Business Model with Strong Profitability and Free Cash Flow



✓ Growth Strategy Delivering Long Term Results





Appendix

GAAP to Non-GAAP reconciliations

Adjusted EBITDA

(\$ in millions)	FY17	FY18	FY19	FY20	FY21	YTD Q2 FY21	YTD Q2 FY22	LTM Q2 FY22
Income from continuing operations	\$52	\$127	\$188	\$421	\$427	\$193	\$253	\$488
Interest expense, net	\$197	\$165	\$108	\$84	\$59	\$36	\$19	\$42
Provision (benefit) for income taxes	(\$28)	\$12	\$56	\$137	\$131	\$62	\$81	\$150
Depreciation and amortization	\$164	\$162	\$157	\$167	\$181	\$90	\$97	\$188
Compensatory payments related to options	\$78	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Stock-based compensation expense	\$9	\$59	\$19	\$32	\$54	\$35	\$19	\$38
Preopening expenses	\$3	\$6	\$15	\$10	\$15	\$2	\$11	\$24
Management fees	\$8	\$3	\$0	\$0	\$0	\$0	\$0	\$0
Non-cash rent	\$5	\$5	\$8	\$5	\$6	\$3	\$2	\$5
Strategic consulting	\$30	\$33	\$11	\$0	\$0	\$0	\$0	\$0
Severance	\$9	\$1	\$4	\$0	\$2	\$2	\$0	\$0
Offering costs	\$0	\$4	\$2	\$0	\$0	\$0	\$0	\$0
Club closing costs and impairment charges	\$0	\$0	\$15	\$0	\$0	\$0	\$0	\$0
Acquisition and integration costs	\$0	\$0	\$0	\$0	\$4	\$0	\$11	\$15
Other adjustments	\$7	\$1	(\$3)	\$1	\$1	\$0	\$1	\$2
Adjusted EBITDA	\$534	\$578	\$582	\$857	\$880	\$423	\$495	\$952
Net Sales	\$12,496	\$12,724	\$12,889	\$15,097	\$16,306	\$7,870	\$9,405	\$17,841
<i>Adjusted EBITDA margin</i>	<i>4.3%</i>	<i>4.5%</i>	<i>4.5%</i>	<i>5.7%</i>	<i>5.4%</i>	<i>5.4%</i>	<i>5.3%</i>	<i>5.3%</i>

Numbers may not foot due to rounding

GAAP to Non-GAAP reconciliations

Net Debt to Adjusted EBITDA

(\$ in millions)	FY17	FY18	FY19	FY20	FY21	7/30/2022
Total Debt	\$2,712	\$1,801	\$1,681	\$1,106	\$749	\$1,049
Less Cash and Cash Equivalents	\$35	\$27	\$30	\$44	\$45	\$164
Net Debt	\$2,677	\$1,774	\$1,650	\$1,063	\$703	\$886
Net Debt to LTM Adjusted EBITDA	5.0x	3.1x	2.8x	1.2x	0.8x	0.9x

GAAP to Non-GAAP Reconciliations

Free Cash Flow

(\$ in thousands)	FY18	FY19	FY20	FY21
Net cash provided by operating activities	\$427,103	\$355,143	\$868,546	\$831,655
Less: Additions to property & equipment, net of disposals	\$145,913	\$196,901	\$218,333	\$323,591
Plus: Proceeds from sale leaseback transactions	\$0	\$21,606	\$25,893	\$19,080
Free Cash Flow	\$281,190	\$179,848	\$676,106	\$527,144