

August 2023

BJ's Wholesale Club Investor Presentation



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 strategic priorities; our anticipated fiscal 2023 outlook; our anticipated long-term financial outlook, and our 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, consumer and small business spending patterns and debt levels; our dependence on having a large and loyal membership; domestic and international economic conditions, including continued high inflation rates or further increases in inflation rates or interest rates, supply chain disruptions, construction delays; 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 16, 2023 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.

Q2 FY23 highlights: Strong earnings driven by growth in traffic, market share and margins

A stronger company today, built on our strategic priorities



Improve member loyalty



Unbeatable member experience



Deliver value conveniently



Grow our footprint

6.8M+
Members **+5%** vs. Q2 FY22

\$103.7M
MFI¹ **+5%** vs. Q2 FY22

90%
Tenured renewal rate²

38% Higher-tier penetration
+1pp vs. Q2 FY22

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

Focus on **value** continues to resonate in current environment demonstrated by **traffic and market share gains**

+15%
Digitally-enabled comparable sales growth

90%
Digital sales fulfilled in-club

26%
Own brand penetration (YTD Q2 FY23)

Opened **3** new clubs and **4** new gas stations YTD Q2 FY23

Entry into **19th** state in Q2 into Nashville, TN market

Currently operates **238** clubs and **168** gas stations

Company has accelerated pace of openings given recent success

Q2 FY23 results

\$4.9B
Net sales **(2.9)%** vs. Q2 FY22 driven by lower gas prices YoY

+1.1%
Comparable club sales ex. the impact of gasoline

+90bps
Merchandise gross margin rate vs. Q2 FY22

\$269M
Adjusted EBITDA³ **(1.8)%** vs. Q2 FY22

\$0.97
Adjusted EPS³ **(8.5)%** vs. Q2 FY22, reflecting sales and margin growth, offset by normalizing gas profitability

\$34M
Free cash flow³

Strong balance sheet and free cash flow provide strategic flexibility

- Capital allocation priority remains investing in the business
- Net debt to LTM adjusted EBITDA³ of **0.8x**
- Returned **~\$60M** to shareholders via share repurchases (YTD Q2 FY23)

¹ Membership fee income

² As of FY22. Stats are 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 grocery¹
- ~10x return on annual membership fee
- Compelling promotions and awards
- Fuel and services (tires, optical, etc.)

Earn member loyalty, stability and data

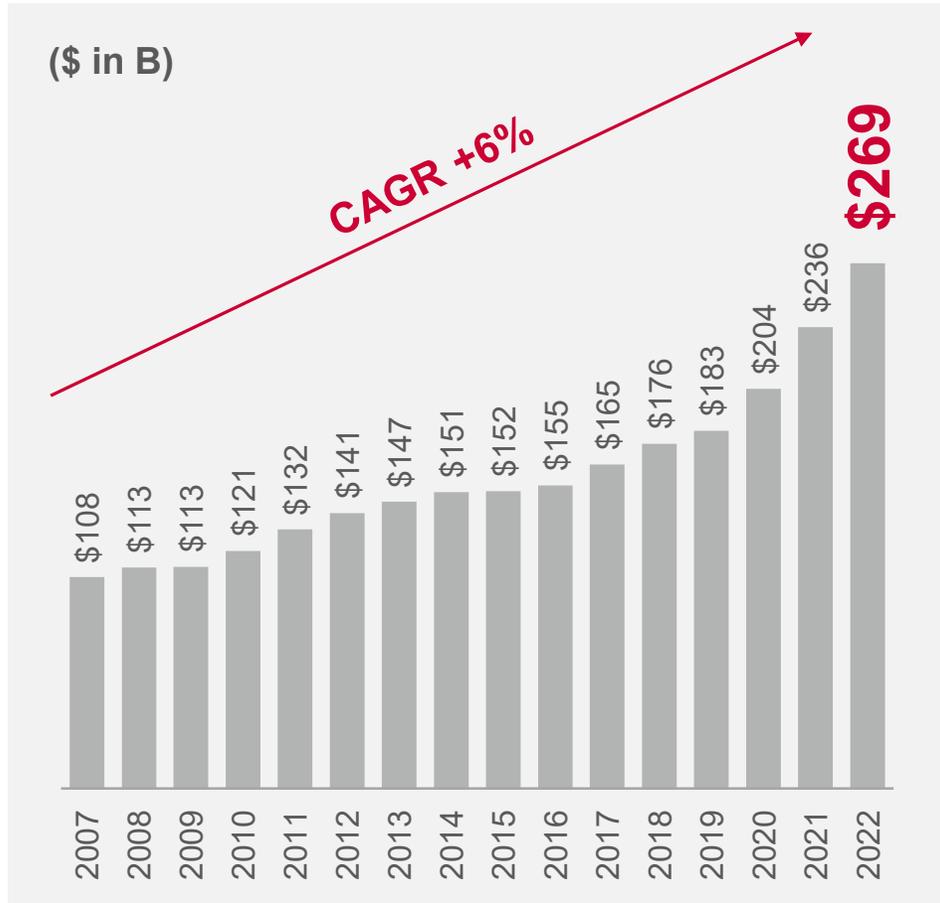
- 90% tenured renewal rate
- Membership fee drives spend consolidation and strong annuity
- Provides comprehensive data on members



¹25% 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 16, 2023

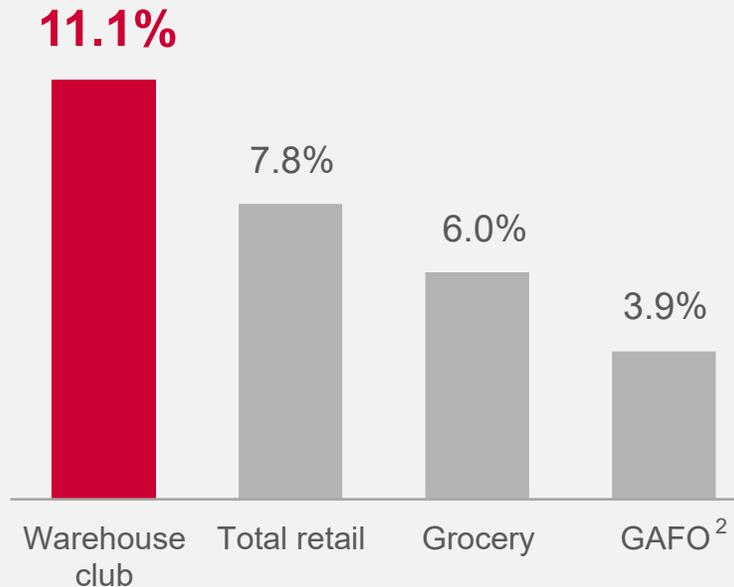
The warehouse club channel is growing and taking share

U.S. warehouse club market size¹

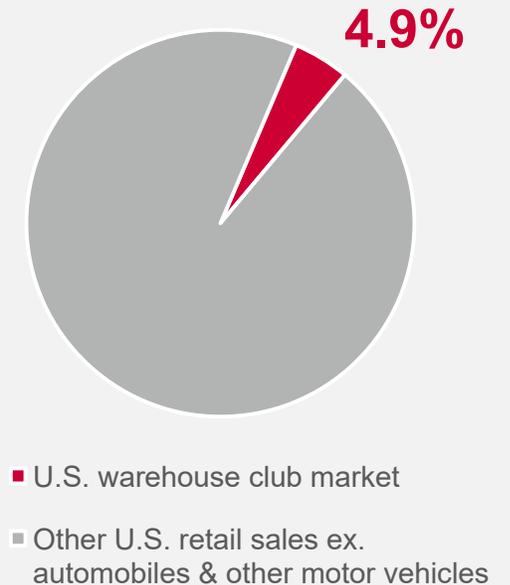


Accelerated share gains in recent years with opportunity for future growth¹

U.S. sales growth by channel (2018 – 2022 CAGR)



2022 share of U.S. retail sales



¹ Source: HHC Publishing – 2022 Warehouse Club Focus; U.S. Census Bureau data (seasonally adjusted)

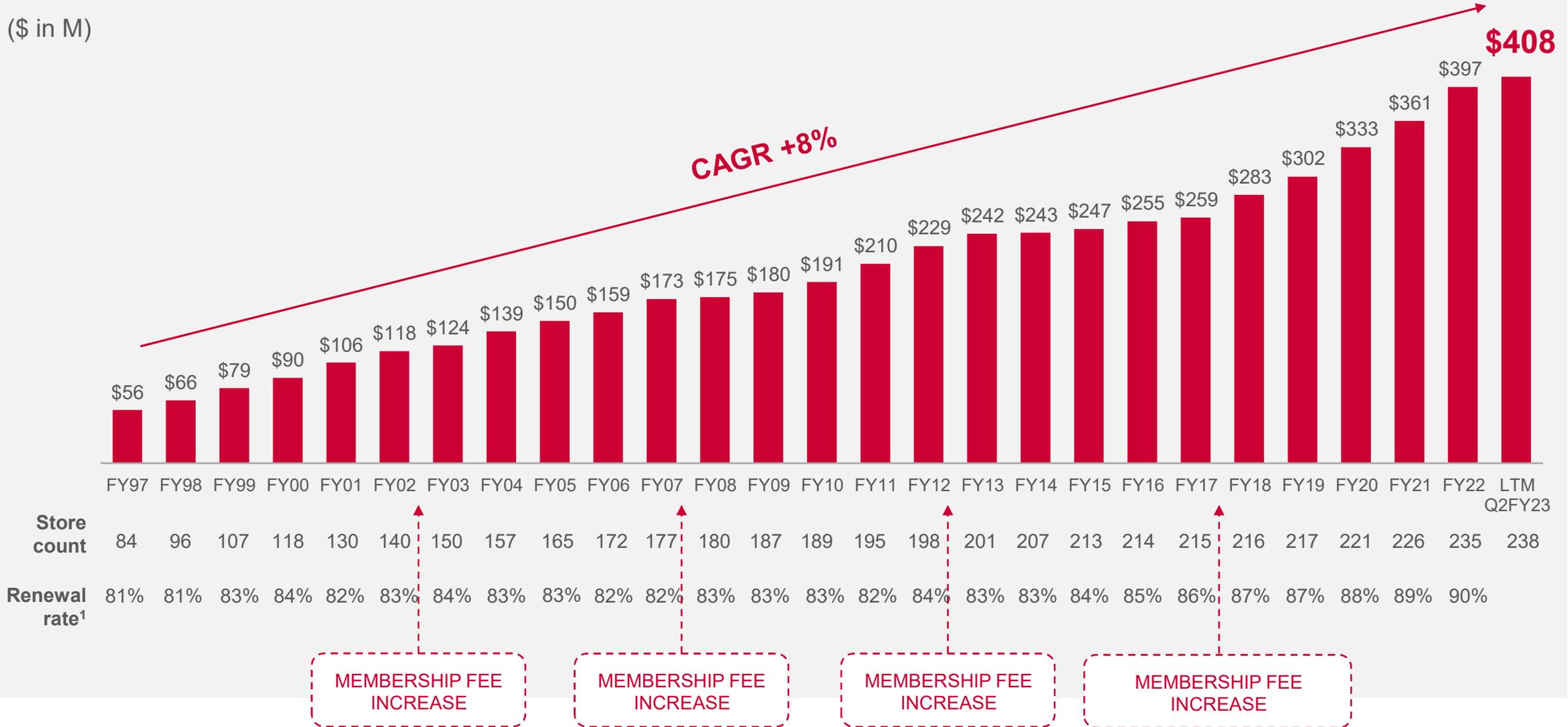
² GAFO represents stores that specialize in merchandise including furniture & home furnishings, electronics & appliances, computers, clothing & accessories, sporting goods, hobby, book, music, general merchandise, and office supplies

MFI has grown every year for 25 years

(\$ in M)

CAGR +8%

\$408



¹ Represents tenured renewal rate which is reported annually

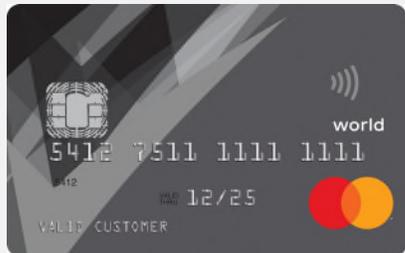
Our new co-brand credit card will drive increased value to members, who will reward us with more lifetime value



BJ's Perks Plus™ Mastercard®



BJ's One™ Mastercard®



BJ's Perks Elite™ Mastercard®



BJ's One+™ Mastercard®

Why we're excited

- > Best-in-class card program to drive top-of-wallet status
- > Better value prop enhances all higher-tier membership

Our **1.5M+** credit card members are our most loyal members

~2x LTV

vs. non-co-brand members

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 prices¹
- > Treasure hunt
- > Services & fuel

vs. Mass channel



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

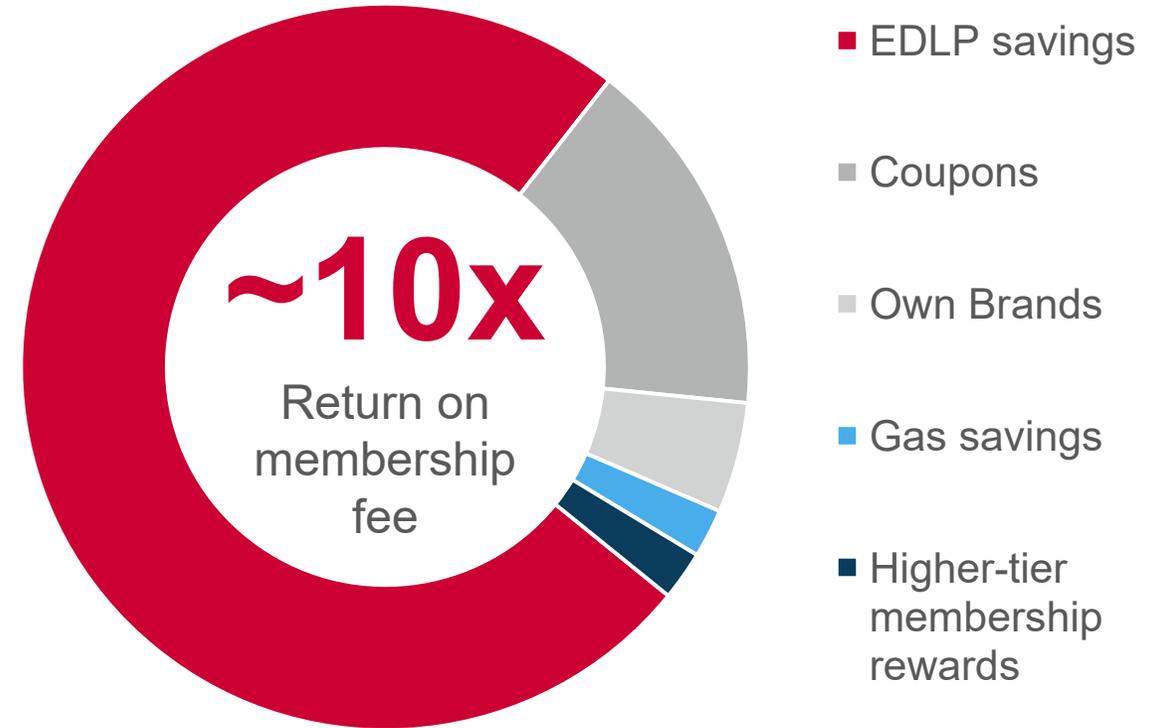
¹25% savings based on a representative basket of manufacturer-branded groceries compared to traditional supermarket competitors. For additional information, refer to our Form 10-K filed with the SEC on March 16, 2023

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 savings¹



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

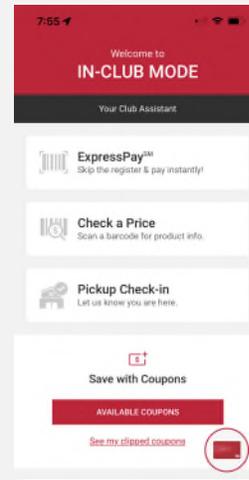
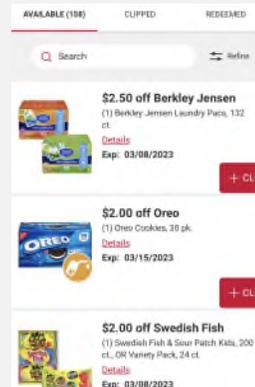
- > BOPIC¹ / Curbside pickup
- > Same-day delivery (“SDD”)
- > Ship-to-home, Express Pay, other²



2

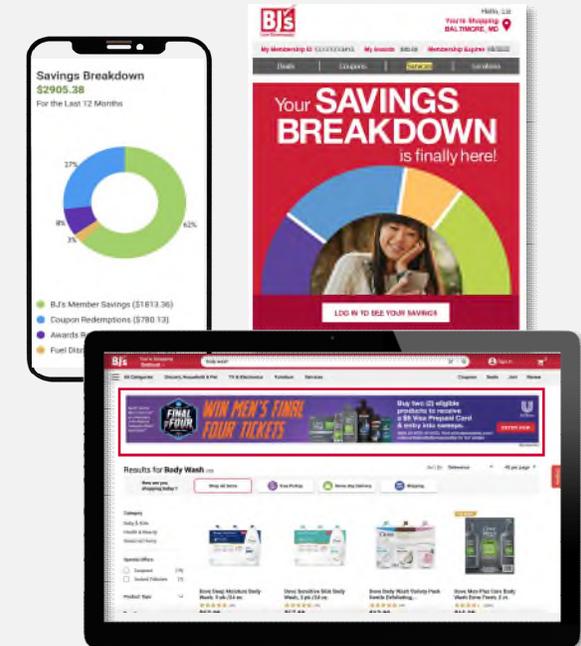
In-club conveniences

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



3

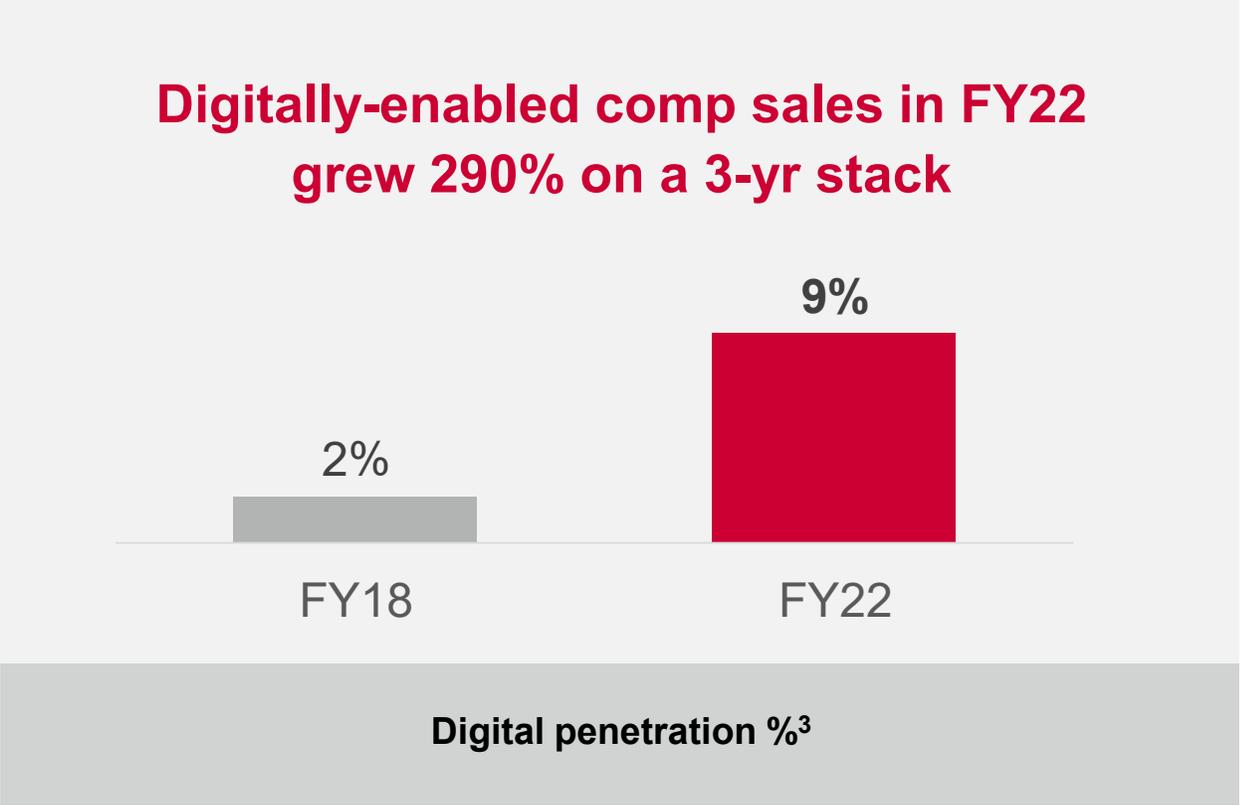
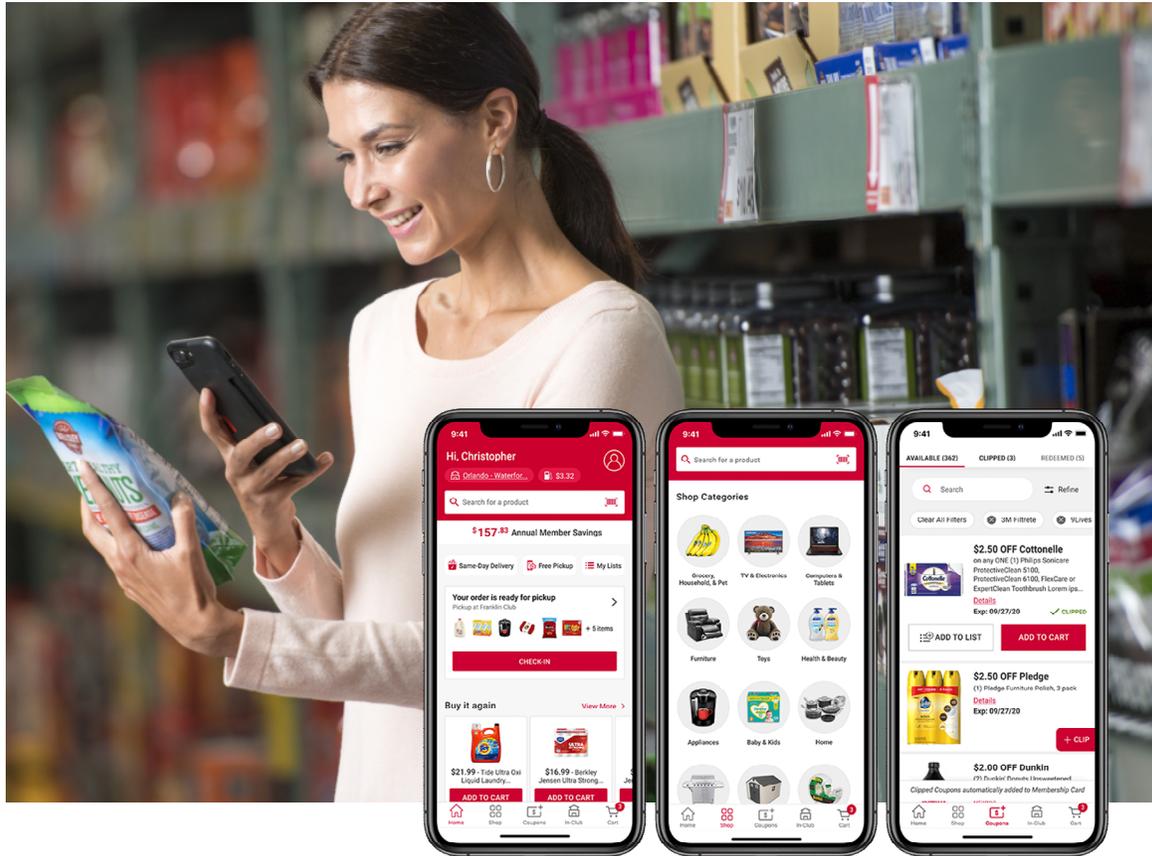
Targeted messaging and retail media program



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

The convenience of our digital offerings drives spend

Digital members¹ spend nearly 70% more with us annually²



¹ Members making at least one digitally-enabled purchase (BOPIC/Curbside pickup, same-day delivery, ship-to-home and Express Pay) in FY22

² Compared to members who only shop in-club

³ As a % of merchandise sales

Our members love our app

★★★★★

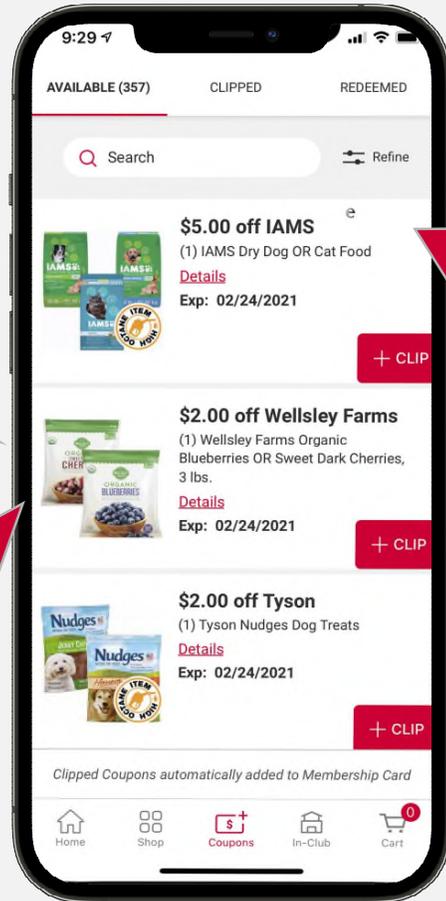
Great app! So convenient I never forget my coupons. I can load them to my card right from the app.

Jill L.

★★★★★

I am able to scan my card on the app. This helps if I forget my card at home.

Saga Q.

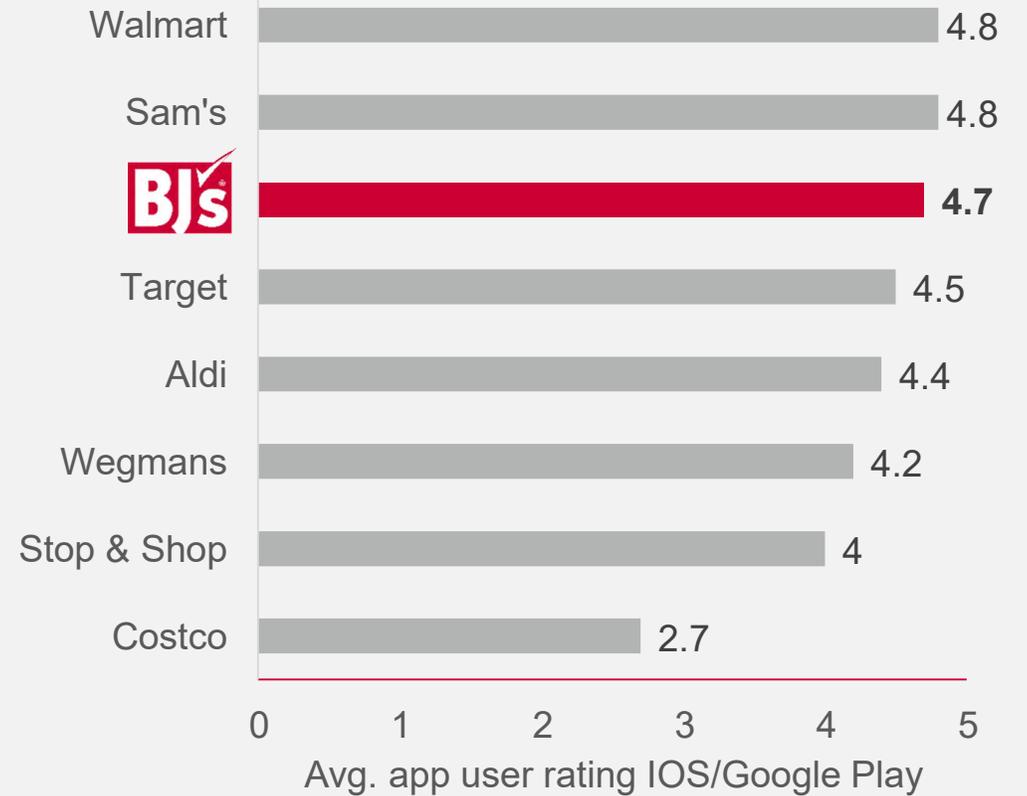


★★★★★

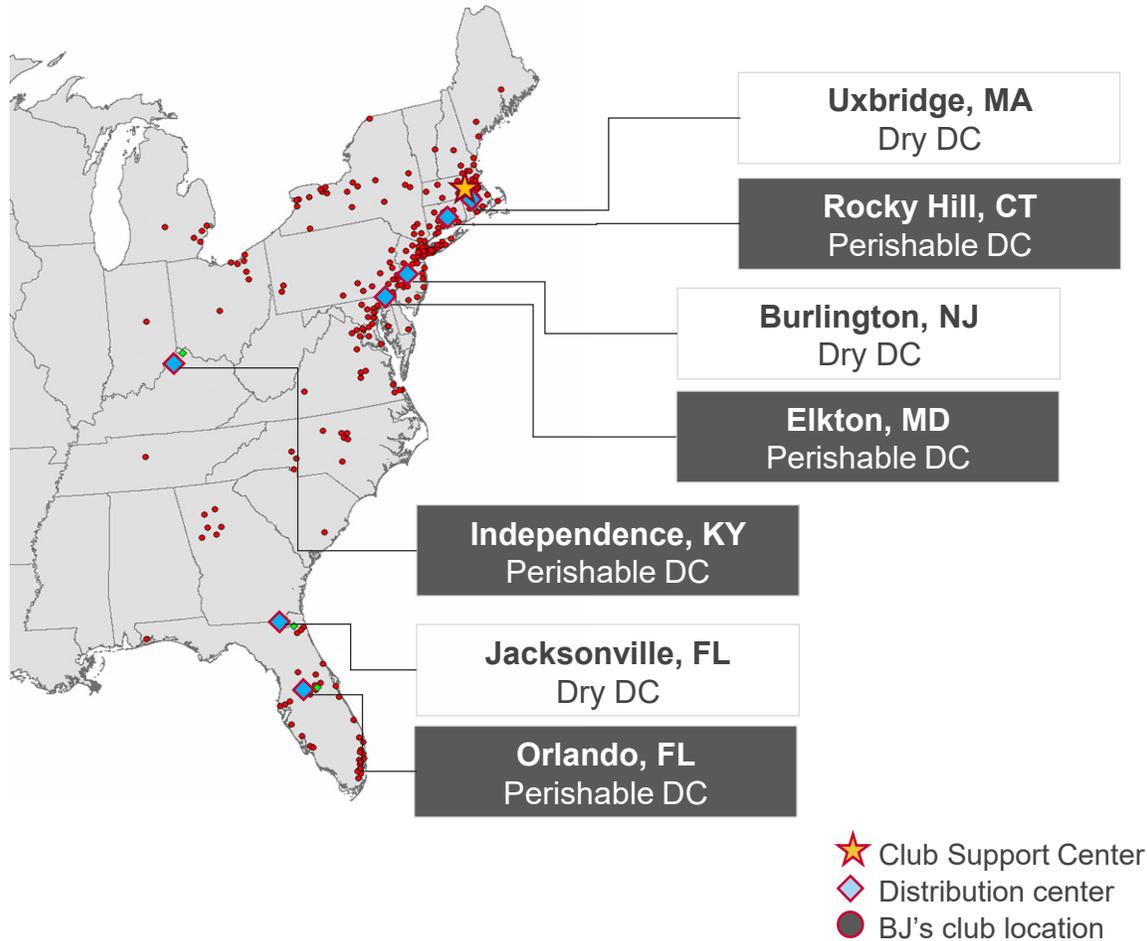
I always use the app, especially to track gas prices.

Cynthia A.

Industry-leading app rating



We have an advantaged real estate position built over nearly 40 years



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

238
Clubs¹

168
Gas stations¹

19
States¹

- > Leading positions in core Eastern U.S. markets
- > ~3x clubs vs. next largest competitor in New England²
- > Accelerated new unit growth in recent years
- > Expect to open ~10 new units per year for the foreseeable future

¹ As of May 2023

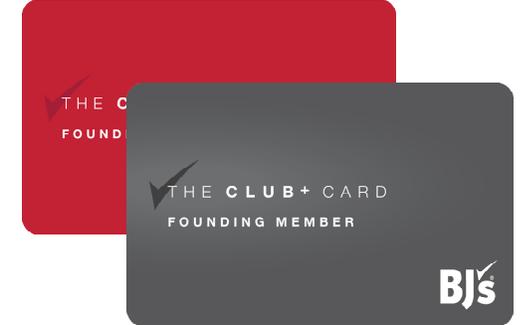
² Refers to core New England markets: CT, MA, ME, NH, RI and VT; Compares to Costco and Sam's Club count as of latest 2022 published annual reports

We have continually refined our new club opening playbook



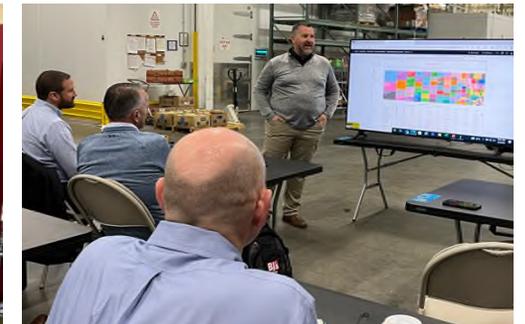
Improved member acquisition

- 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

FY22 vs. FY18

+49%

Net sales

+40%

MFI

90%

Tenured
renewal rate

+79%

Adjusted
EBITDA¹

+195%

Adjusted EPS¹

\$2B+

Cumulative
free cash flow¹

0.8x

Net debt to adjusted
EBITDA¹

\$495M

Cumulative share
repurchases

Our long-term financial targets reflect continued momentum

Comparable club sales¹

LSD% – MSD%
growth

Total revenues

MSD%
growth

EPS

HSD% – LDD%
growth



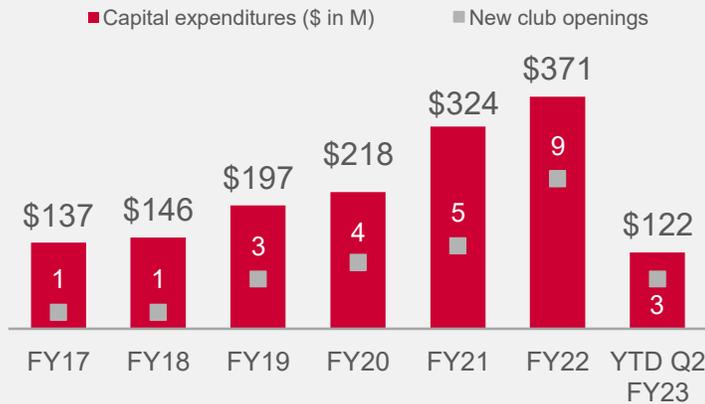
¹ Excluding the impact of gasoline sales

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 centers¹

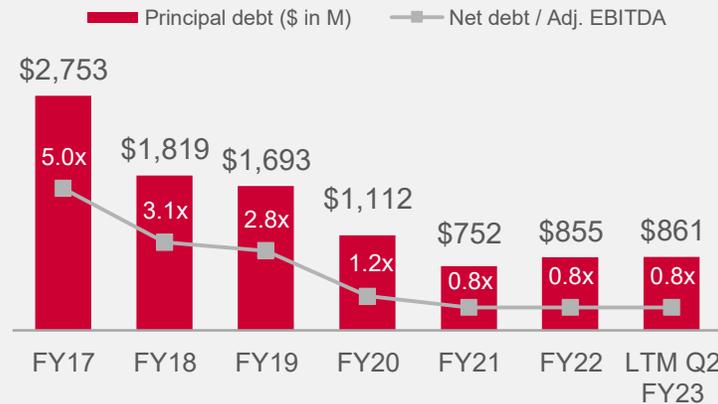
Capex ramping as new club openings accelerate



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

Reduced debt by \$2 billion since FY17



Return cash to shareholders

- Share repurchase remains the preferred method of returning cash to shareholders
- \$259M available under \$500M share repurchase program²

Over \$550M of shares repurchases since FY18³ (\$ in M)



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

² As of July 29, 2023

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	YTD Q2 FY22	YTD Q2 FY23	LTM Q2 FY23
Income from continuing operations	\$ 52	\$ 127	\$ 188	\$ 421	\$ 427	\$ 514	\$ 253	\$ 247	\$ 508
Interest expense, net	197	165	108	84	59	47	19	31	60
Provision (benefit) for income taxes	(28)	12	56	137	131	176	81	109	204
Depreciation and amortization	164	162	157	167	181	201	97	109	213
Compensatory payments related to options	78	-	-	-	-	-	-	-	-
Stock-based compensation expense	9	59	19	32	54	43	19	20	44
Preopening expenses	3	6	15	10	15	25	11	5	20
Management fees	8	3	-	-	-	-	-	-	-
Non-cash rent	5	5	8	5	6	4	2	4	6
Strategic consulting	30	33	11	-	-	-	-	-	-
Severance	9	-	4	-	2	-	-	-	-
Offering costs	-	4	2	-	-	-	-	-	-
Club closing costs and impairment charges	-	4	15	-	-	-	-	-	-
Acquisition and integration costs	-	-	-	-	4	12	11	-	1
Other adjustments	6	2	(3)	1	1	15	1	1	15
Adjusted EBITDA	\$ 534	\$ 578	\$ 582	\$ 857	\$ 880	\$ 1,038	\$ 495	\$ 526	\$ 1,069

GAAP to non-GAAP reconciliations

Net debt to LTM adjusted EBITDA

(in M)	FY17	FY18	FY19	FY20	FY21	FY22	7/29/2023
Total debt	\$ 2,712	\$ 1,801	\$ 1,681	\$ 1,106	\$ 749	\$ 853	\$ 859
Less: Cash and cash equivalents	35	27	30	44	45	34	26
Net debt	\$ 2,677	\$ 1,774	\$ 1,650	\$ 1,063	\$ 703	\$ 819	\$ 833
LTM adjusted EBITDA	\$ 534	\$ 578	\$ 582	\$ 857	\$ 880	\$ 1,038	\$ 1,069
Net debt to LTM adjusted EBITDA	5.0x	3.1x	2.8x	1.2x	0.8x	0.8x	0.8x

GAAP to non-GAAP reconciliations

Adjusted EPS

(in M, except per share data)	FY18	FY19	FY20	FY21	FY22	Q2 FY22	Q2 FY23
Net income as reported	\$ 127	\$ 187	\$ 421	\$ 427	\$ 513	\$ 141	\$ 131
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	4	-
Home office transition costs	-	-	-	1	15	1	-
(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	0	-
Severance	-	4	-	2	-	-	-
Other	4	-	-	-	-	-	(0)
Tax impact of adjustments to net income	(31)	(6)	(3)	(9)	(9)	(1)	0
Adjusted net income	186	203	429	449	535	144	131
Weighted-average diluted shares outstanding	140	139	139	138	136	137	135
Adjusted EPS	\$ 1.33	\$ 1.46	\$ 3.09	\$ 3.25	\$ 3.92	\$ 1.06	\$ 0.97

GAAP to non-GAAP reconciliations

Free cash flow

(in M)	FY18	FY19	FY20	FY21	FY22	Q2 FY23
Net cash provided by operating activities	\$ 427	\$ 355	\$ 869	\$ 832	\$ 788	\$ 150
Less: Additions to property & equipment, net of disposals	146	197	218	324	398	122
Plus: Proceeds from sale leaseback transactions	-	22	26	19	27	6
Free cash flow	\$ 281	\$ 180	\$ 676	\$ 527	\$ 418	\$ 34