

2023/2024 Charter Subscription

WAREHOUSE CLUB FOCUS

September 29, 2023
Volume 27, Issue 625

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WCF visits Clubs in Florida, Massachusetts and New Hampshire

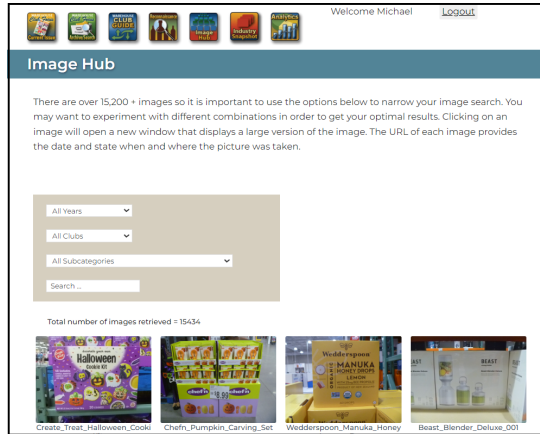
WCF visits warehouse clubs around the world to report on the latest trends in merchandising, product placement and packaging at the warehouse club level. Our observations also provide manufacturers with ideas and strategies they can use to improve their business with the warehouse clubs nationally, regionally and internationally.

In August and September 2023, WCF visited SVA, Costco and Sam's Club locations in Florida, Massachusetts and New Hampshire. These clubs included SVA in Orlando, Florida (opened 2002) and South, Massachusetts (opened 2005). Costco in Orlando, Florida (opened 2015) and Nashua, New Hampshire (opened 1992) and Sam's Club in Orono, Florida (opened 1999) and Haven, New Hampshire (opened 1993). The following are observations from these locations:

Deli: Costco stocked several unique deli items that included a package of three 10-ounce loaves of great cheese pizza with a corn meal crust from Unifile for \$15.99 (see picture on the right), a package of three 2-ounce package paninis (Kafin Free Caribbean style cheese bread) from \$3 (picture on the right) to \$17.99, a package of three 2-ounce package paninis (Kafin Free Caribbean style cheese bread) from \$3 (picture on the right) to \$17.99, a package of two 2-ounce package paninis (Kafin Free Caribbean style cheese bread) from \$3 (picture on the right) to \$17.99.

Bakery: Costco stocked a variety of unique snack and cookie products. These items included a box of soft-baked, fudge and chocolate dipped cat bars from Bobo's for \$12.99 (see picture on the left), a box of twelve 1.75-ounce organic granola bars from Coko's for \$11.99, an 8-ounce box of fudge dipped cookies with fudge centers for \$10.99, a package of two 1.5-ounce bags of chocolate covered candy and peanut butter mix for \$12.99, a box of twelve 1.75-ounce organic snack bars from Dave's Killer Bread for \$12.99, a box of twelve 1.75-ounce organic snack bars from Dave's Killer Bread for \$12.99, a box of twelve 1.75-ounce organic snack bars from Dave's Killer Bread for \$12.99, a box of twelve 1.75-ounce organic snack bars from Dave's Killer Bread for \$12.99, a box of twelve 1.75-ounce organic snack bars from Dave's Killer Bread for \$12.99, a box of twelve 1.75-ounce organic snack bars from Dave's Killer Bread for \$12.99.

Other snack and cookie products of Costco included: a 12.75-ounce Japanese bean cake gift box (five each of kaniwa, nyoio, ninomichi, kankinabaru and mechi) from Marukai for \$11.99, a case of forty 1-ounce bags of chocolate chip brownie brittle from Costco for \$12.99, a case of forty 1-ounce bags of chocolate chip brownie brittle from Costco for \$12.99, a case of forty 1-ounce bags of chocolate chip brownie brittle from Costco for \$12.99, a case of forty 1-ounce bags of chocolate chip brownie brittle from Costco for \$12.99, a case of forty 1-ounce bags of chocolate chip brownie brittle from Costco for \$12.99, a case of forty 1-ounce bags of chocolate chip brownie brittle from Costco for \$12.99.



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Warehouse Club Industry – 2021 Sales Analysis

Each year, four issues of *Warehouse Club Focus (WCF)* provide club industry data that provides insight and information into the operations of BJ's, Costco, Cost-U-Less, PriceSmart and Sam's Club. The issues feature: calendar year industry sales and location data in January, BJ's and Sam's fiscal year information in April and fiscal year data for Costco and PriceSmart in December. BJ's and Sam's fiscal years end in January and Costco's and PriceSmart's fiscal years end in August. Therefore, *WCF* reports on fiscal year data at different times.

Worldwide calendar year merchandise sales data is reported in this issue (membership revenues are not included). The data in this issue is a useful tool for comparing the clubs as it represents information for all operators from the same calendar year time period. Each club's sales figures are calculated differently.

Costco reports monthly worldwide sales. PriceSmart reports quarterly sales with its most recent quarter ending November 30, 2021. BJ's and Sam's Club report quarterly sales with their most recent quarters ending October 30, 2021 (BJ's) and October 31, 2021 (Sam's). Cost-U-Less, a division of The North West Company (a publicly traded Canadian company), does not report monthly, quarterly or yearly sales results.

National and worldwide merchandise sales estimates for November (BJ's and Sam's Club) and December (BJ's, PriceSmart and Sam's Club) are made by *WCF* and those figures are updated when the actual results are reported. Yearly merchandise sales for Cost-U-Less are estimated. The estimates are based on company trends, competitor trends, industry research and *WCF* experience. Please note, while overall sales and item sales data is provided for Cost-U-Less, the club industry sales figures throughout this article do not include Cost-U-Less and only include BJ's, Costco, PriceSmart and Sam's Club.

This article includes eight sections: 2021, industry charts, calendar sales, domestic sales, category sales, item sales, domestic market share and 2026 projections.

2021

Price Club opened the first warehouse club in 1976. From 1976 to 1995, the warehouse club industry generated dramatic yearly growth with fierce competition as there were as many as 13 operators in 1986. Since the end of 1995, the same five warehouse club operators have existed: BJ's, Costco, Cost-U-Less, PriceSmart and Sam's Club.

WCF has been tracking annual calendar year warehouse club operator and industry sales since 1995. From 1996 to 2007, annual worldwide industry sales growth ranged from 8.1% to 12.9%. As would be expected, as the warehouse club industry matured, sales growth slowed. From 2008 to 2019, except for 11.5% growth in 2011, annual worldwide industry sales growth ranged from 1.0% to 8.0%.

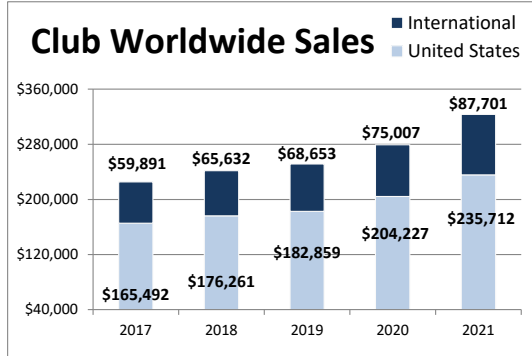
The pandemic changed warehouse club industry prospects. In 2020, worldwide industry sales increased 11.0%. This 2020 annual sales increase, while impressive, was still below industry results from several years since 1995. However, worldwide warehouse club industry sales in 2021 increased 15.8% and was the strongest result since 1996 and are even more impressive given the warehouse club industry's size and age.

Given all that, *WCF* would be remiss in not stating the following. The 2021 warehouse club industry sales growth of 15.8% will likely be the industry's peak for the rest of its history. It's hard to imagine a \$323.41 billion industry continuing to grow at 15.8% and doubling every six years. Suppliers, manufacturer representatives and third party stakeholders should be cautious to solely base their warehouse club industry investments and sales plans on 2021 results and growth and, instead, use an average of the previous years.

Industry Charts

This section includes three areas that provide a macro viewpoint on club industry performance: worldwide sales, worldwide growth and traffic and transaction.

Club Worldwide Sales





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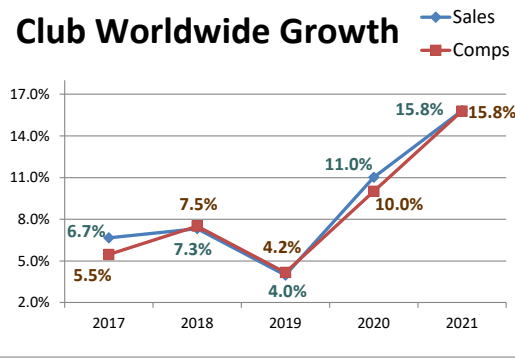
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Club Worldwide Growth



Worldwide Sales – The graph on page one shows national and international sales for the club industry since 2017. In 2021, the club industry generated worldwide sales of \$323.41 billion with national sales of \$235.71 billion (73%) and international sales of \$87.70 billion (27%). Club industry international sales are a growing percentage of worldwide sales. Ten years ago, in 2012, the club industry generated worldwide sales of \$185.76 billion with national sales of \$140.64 billion (76%) and international sales of \$45.12 billion (24%).

Worldwide Growth – The graph on the left shows annualized worldwide industry sales growth (blue line) and comparable sales growth including foreign currency exchange and gasoline (red line). As new location growth increasingly becomes a smaller percentage of the total number of worldwide club locations, comparable sales which excludes locations opened during the current year and total sales which includes locations opened during the current year tend to be similar.

Comparable sales and total sales increased 15.8% in 2021. These two figures are the best warehouse club industry result since 1996. Costco led the industry with worldwide sales growth of 18.4% followed by Sam’s Club at 12.4%, PriceSmart at 11.0% and BJ’s at 8.5%. Costco led the industry with comparable sales growth of 16.7% followed by Sam’s Club at 15.3%, PriceSmart at 8.8% and BJ’s at 7.5%.

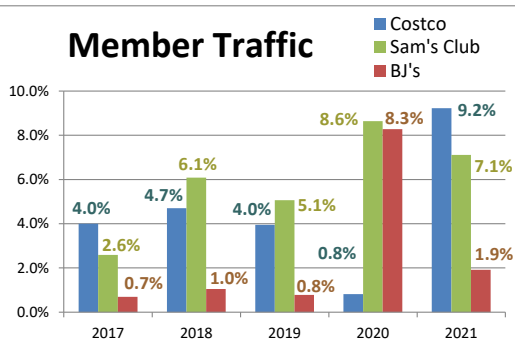
The chart on the right shows comparable sales growth including and excluding foreign currency exchange and gasoline for the past three years for BJ’s domestically, Costco worldwide, nationally and internationally and Sam’s Club in the United States.

Comparable Sales	Company	Company		United States		International	
		Overall	Ex Gas/FX	Overall	Ex Gas	Overall	Ex Gas/FX
Costco	2019	5.5%	5.7%	6.5%	5.9%	2.8%	5.3%
	2020	10.5%	12.2%	10.2%	12.1%	11.3%	12.8%
	2021	16.7%	11.8%	16.0%	12.7%	18.9%	11.0%
Sam’s Club	2019	n/a		1.6%	0.9%	n/a	
	2020	n/a		8.0%	11.1%	n/a	
	2021	n/a		15.3%	10.2%	n/a	
BJ’s	2019	n/a		0.9%	1.6%	n/a	
	2020	n/a		15.3%	20.6%	n/a	
	2021	n/a		7.5%	3.7%	n/a	

WCF research and club reports.

Member Traffic and Average Transaction – The two components of comparable sales are member traffic and average transaction. PriceSmart does not report member traffic and average transaction data. BJ’s member traffic and average transaction data is not reported by the company in its quarterly conference calls or annual report. The estimates are based on company trends, competitor trends, industry research, WCF experience and comments from BJ’s quarterly conference calls.

Member Traffic



Average member traffic is typically the primary driver of club comparable sales and portends future sales growth. Average member traffic growth is comprised of two factors: new members and more frequent visits by existing members. Consistently positive member traffic growth shows that new and existing members recognize the value their club provides and that recognition translates into more frequent shopping visits.

The graph on the left shows average member traffic growth for the past five calendar years. Over the past two years, Sam’s reported a combined 15.7% growth in member traffic. This eclipsed BJ’s two year growth of 10.2% and Costco’s two year growth of 10.0%.

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In 2021, Costco led the industry with a 9.2% growth in member traffic which is the company's best result since at least 2004 when it began reporting this data point. Sam's was next with 7.1% growth in member traffic. BJ's was third with 1.9% growth in member traffic.

The graph on the right shows average transaction growth excluding gasoline and foreign currency exchange. Excluding commodity product cost increases, club buyers are constantly evaluating items for ways to increase retail prices while continuing to offer a value. The goal is to grow the amount of money a club member spends per trip or the average transaction.

Over the past two years, BJ's and Costco each generated a combined 14.0% growth in average transaction and Sam's reported a combined 5.6% increase in average transaction. Excluding its pandemic influenced result in 2020, Costco's 2.6% average transaction result in 2021 is the company's best result since at least 2009 when it began reporting this data point.

Sam's 3.1% average transaction growth in 2021 is the company's best result since at least 2011 when it began reporting this data point. Excluding its pandemic influenced result in 2020, BJ's 1.7% average transaction increase is the company's best result since 2011 when it produced 2.2% growth.

Calendar Sales

This section provides worldwide sales and location data for the past five calendar years, 2017 through 2021. The charts on the right and the next page include sales and locations nationally, internationally and worldwide, comparable sales (including gasoline and foreign currency exchange) and the average growth rates (CAGR) from 2017 through 2021.

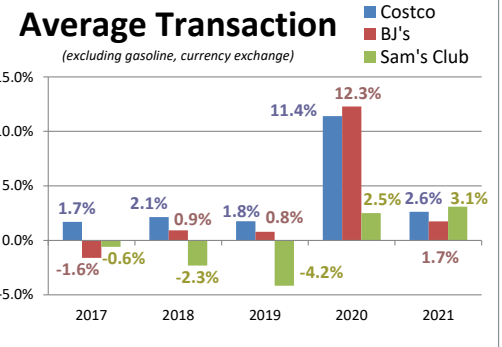
BJ's – Looking at BJ's sales history since 2017, it is easy to see the benefit BJ's received from the pandemic. From 2017 to 2019, sales were stagnant at \$12.41 billion in 2017, \$12.78 billion in 2018 and \$12.88 billion in 2019. However, sales increased to \$14.99 billion in 2020 and \$16.26 billion in 2021. BJ's opened four clubs in 2021. The last time the company opened as many as four locations in one calendar year was 2015.

Costco – Over the past five years, Costco sales growth nationally, internationally and worldwide was the strongest in the industry. United States sales increased 11.7% annually to \$146.42 billion, international sales increased 12.8% annually to \$56.50 billion and worldwide sales increased 12.0% annually to \$202.92 billion. From 2017 to 2021, Costco increased its number of national locations by 2.5% annually to 568 buildings, its number of international locations by 2.9% annually to 260 clubs and its number of worldwide locations by 2.6% annually to 828 buildings.

Sam's Club – In January, 2018 Sam's closed 63 underperforming and duplicative locations: 60 in the United States and three in Puerto Rico. Although the company eliminated approximately \$3.15 billion in sales, a significant number of members whose shopping location closed transitioned to a Sam's Club that remained open and the negative sales impact was mitigated.

In 2018, Walmart sold a majority stake in its Brazilian business. It is now owned by Carrefour and Walmart owns less than 5% of the operation. As of December 31, 2021, there were 36 Sam's Club locations in Brazil. WCF includes these locations as part of Sam's international business.

Over the past five years, Sam's has grown national sales 5.4% annually to \$73.03 billion, international sales 5.8% annually to \$27.58 billion and worldwide sales 5.5% annually to \$100.61 billion. Except for test concepts like its Sam's Club Now location in Texas, the company has not opened any traditional club locations in the United States in the past four years. The number of Sam's international locations increased 2.9% annually from 218 clubs in 2017 to 244 locations by the end of 2021.



Calendar	BJ's Wholesale					Costco							
	Stock Price	United States			Comps	Stock Price	United States		International		Worldwide		Comps
		Sales	Clubs	Comps			Sales	Clubs	Sales	Clubs	Sales	Clubs	
2017	n/a	\$12,409	215	0.8%	\$186.12	\$93,968	514	\$34,952	232	\$128,920	746	7.1%	
2018	\$22.16	\$12,777	216	3.5%	\$203.71	\$105,482	529	\$39,848	239	\$145,330	768	8.8%	
2019	\$22.74	\$12,875	219	0.9%	\$293.92	\$111,289	542	\$42,061	243	\$153,350	785	5.5%	
2020	\$37.28	\$14,992	219	15.3%	\$376.78	\$125,632	554	\$45,818	249	\$171,450	803	10.5%	
2021	\$66.97	\$16,261	223	7.5%	\$567.70	\$146,419	568	\$56,501	260	\$202,920	828	16.7%	
17-21 CAGR	n/a	7.0%	0.9%	n/a	32.2%	11.7%	2.5%	12.8%	2.9%	12.0%	2.6%	n/a	

Sales figures are in millions.

Calendar	Sam's Club						PriceSmart					
	Stock Price	United States		International		Worldwide	Comps	Stock Price	International			
		Sales	Clubs	Sales	Clubs				Sales	Clubs	Sales	Clubs
2017	\$98.75	\$59,115	649	\$21,983	218	\$81,098	867	3.0%	\$86.10	\$2,955	40	2.5%
2018	\$93.15	\$58,002	591	\$22,725	220	\$80,727	811	5.5%	\$59.10	\$3,059	41	0.8%
2019	\$118.84	\$58,695	592	\$23,454	224	\$82,149	816	1.6%	\$71.02	\$3,138	45	0.3%
2020	\$144.15	\$63,603	592	\$25,928	234	\$89,531	826	8.0%	\$91.09	\$3,262	47	-0.3%
2021	\$144.69	\$73,032	592	\$27,578	244	\$100,610	836	15.3%	\$73.17	\$3,622	49	8.8%
17-21 CAGR	10.0%	5.4%	-2.3%	5.8%	2.9%	5.5%	-0.9%	n/a	-4.0%	5.2%	5.2%	n/a

Sales figures are in millions.

Calendar	Club Industry						
	United States		International		Worldwide		Comps
	Sales	Clubs	Sales	Clubs	Sales	Clubs	
2017	\$165,492	1,378	\$59,891	490	\$225,382	1,868	5.5%
2018	\$176,261	1,336	\$65,632	500	\$241,893	1,836	7.5%
2019	\$182,859	1,353	\$68,653	512	\$251,512	1,865	4.2%
2020	\$204,227	1,365	\$75,007	530	\$279,235	1,895	10.0%
2021	\$235,712	1,383	\$87,701	553	\$323,413	1,936	15.8%
17-21 CAGR	9.2%	0.1%	10.0%	3.1%	9.4%	0.9%	n/a

Sales figures are in millions.

PriceSmart – Over the past five years, PriceSmart’s sales increased 5.2% annually from \$2.96 billion in 2017 to \$3.62 billion in 2021 and its number of locations increased 5.2% annually from 40 clubs in 2017 to 49 locations in 2021.

Club Industry – From 2017 to 2021, national club industry sales increased 9.2% annually to \$235.71 billion, international sales increased 10.0% annually to \$87.70 billion and worldwide sales increased 9.4% annually to \$323.41 billion. Over the past five years, the number of United States club locations increased 0.1% annually to 1,383 clubs, the number of international locations increased 3.1% to 553 clubs and the number of worldwide locations increased 0.9% annually to 1,936 clubs.

Cost-U-Less – Over the past five years, Cost-U-Less’ sales increased an estimated 1.3% annually from \$291 million in 2017 to \$307 million in 2021 (see chart on the right). Since 2017, Cost-U-Less did not increase its total number of locations but it did open a new club in Guam in 2018, reopen its United States Virgin Islands location in 2019 (it was closed in 2017 due to Hurricane Irma) and it closed locations in Hawaii and California.

Calendar	Cost-U-Less			
	Stock Price	International Sales	Clubs	Comps
2017	\$30.07	\$291	12	1.0%
2018	\$31.42	\$283	12	-2.7%
2019	\$27.33	\$279	12	-1.4%
2020	\$32.44	\$282	12	1.1%
2021	\$34.46	\$307	12	8.9%
17-21 CAGR	3.5%	1.3%	0.0%	n/a

Sales figures are in millions.

United States	Overall			Food, Beverage			Non-Food		
	Retail	Club		Stores	Club		Stores	Club	
2012	\$3,379,968	\$140,640	4%	\$627,392	\$60,323	10%	\$641,420	\$56,494	9%
2013	\$3,487,363	\$146,531	4%	\$641,936	\$63,532	10%	\$654,231	\$58,921	9%
2014	\$3,641,179	\$151,346	4%	\$670,712	\$67,265	10%	\$670,779	\$59,296	9%
2015	\$3,790,622	\$151,917	4%	\$687,782	\$69,989	10%	\$680,319	\$58,062	9%
2016	\$3,906,222	\$154,823	4%	\$699,835	\$73,071	10%	\$680,770	\$58,854	9%
2017	\$4,073,377	\$165,492	4%	\$729,350	\$77,119	11%	\$691,994	\$60,901	9%
2018	\$4,262,303	\$176,261	4%	\$750,718	\$82,314	11%	\$707,884	\$63,630	9%
2019	\$4,433,409	\$182,859	4%	\$774,081	\$84,115	11%	\$717,223	\$65,281	9%
2020	\$4,527,757	\$204,227	5%	\$862,761	\$93,332	11%	\$739,053	\$79,649	11%
2021	\$5,300,306	\$235,712	4%	\$903,312	\$118,092	13%	\$829,417	\$83,207	10%
12-16 CAGR	3.7%	2.4%	n/a	2.8%	4.9%	n/a	1.5%	1.0%	n/a
17-21 CAGR	6.8%	9.2%	n/a	5.5%	11.2%	n/a	4.6%	8.1%	n/a

Sales are in millions. 2021 data includes December estimates.

Domestic Sales

The chart on the left compares overall, food and beverage, general merchandise (non-food) and club industry sales in the United States (BJ’s, Costco and Sam’s Club only) during the last ten years (2012 through 2021). The overall, food and beverage and non-food sales data is gathered from the United States Census web site (www.census.gov). December, 2021

sales were estimated as the United States Census has not reported these figures.

Overall retail does not include motor vehicle and parts dealers. Food and beverage includes grocery and beer, wine and liquor stores. Non-food includes department stores, other general merchandise stores, warehouse clubs and supercenters. The columns to the right of the overall club total, the food and beverage club total and the non-food club total provide the percentage the clubs represent of that category. Club ancillary sales are not included in the food and beverage and nonfood figures but are included in the overall club number.

From 2012 to 2016, club food and beverage sales represented 10% of total food and beverage sales. From 2017 to 2020, club food and beverage sales represented 11% of total food and beverage sales. However, in 2021, club food and beverage sales represented 13% of total food and beverage sales.

As will be explained in the next section, each club details department sales percentages in their respective 10K annual reports. WCF “ties” its estimated category sales percentages to those 10K reported figures creating an objective set of estimated category sales data. The clubs reported a slightly higher percentage or penetration of food sales in their recent 10K annual reports which is reflected in its higher share of total food and beverage sales in 2021.

From 2012 to 2016, in overall, retail grew faster than the club channel at 3.7% annually compared to 2.4% annually and in general merchandise, stores grew faster than club channel at 1.5% annually compared to 1.0% annually. During the same time period, in food and beverage, stores growth was slower than the club channel at 2.8% annually compared to 4.9% annually.

However, from 2017 to 2021, the clubs grew faster in all three channels. In overall, club channel growth of 9.2% annually exceeded retail growth of 6.8% annually. In food and beverage, club channel growth of 11.2% annually exceeded stores growth of 5.5% annually and in non-food, club channel growth of 8.1% annually exceeded stores growth of 4.6% annually.

Category Sales

The two charts on page six provide estimated sales and SKU counts by category for the 2021 calendar year for BJ’s, Costco and Sam’s Club. Category sales data is not provided for Cost-U-Less or PriceSmart because there is no objective method to estimate category sales penetration for each retailer. The sales information in the charts represent worldwide locations. The number of clubs at the end of calendar 2021 is listed on the top of each chart. The category SKU counts were gathered in December, 2021.

2021	BJ's				Costco				Sam's Club				Industry	
Worldwide Locations	223				828				836				1,887	
Category Data	Annual Sales		SKU		Annual Sales		SKU		Annual Sales		SKU		Annual Sales	
	million \$	percent	total	\$/week/club	million \$	percent	total	\$/week/club	million \$	percent	total	\$/week/club	million \$	percent
Bread, Bakery	\$813	5.0%	194	\$361	\$7,305	3.6%	81	\$2,095	\$4,226	4.2%	127	\$765	\$12,344	3.9%
Beer, Wine, Liquor	\$797	4.9%	531	\$129	\$12,398	6.1%	297	\$970	\$4,427	4.4%	186	\$547	\$17,622	5.5%
Candy	\$472	2.9%	142	\$286	\$2,435	1.2%	47	\$1,203	\$3,823	3.8%	141	\$624	\$6,730	2.1%
Deli, Sliced Meat, Prepared, Cheese	\$634	3.9%	227	\$241	\$5,601	2.8%	136	\$956	\$2,616	2.6%	119	\$506	\$8,851	2.8%
Dry Grocery	\$2,350	14.5%	565	\$359	\$24,553	12.1%	389	\$1,466	\$13,985	13.9%	429	\$750	\$40,888	12.8%
Frozen	\$1,220	7.5%	287	\$366	\$7,183	3.5%	102	\$1,636	\$5,775	5.7%	158	\$841	\$14,178	4.4%
Fresh Meat, Chicken, Seafood, Prepared	\$829	5.1%	168	\$426	\$10,958	5.4%	108	\$2,356	\$3,733	3.7%	83	\$1,034	\$15,520	4.9%
Health, Diet, Bars and Shakes	\$49	0.3%	51	\$82	\$1,603	0.8%	39	\$955	\$573	0.6%	56	\$236	\$2,225	0.7%
Produce	\$667	4.1%	138	\$417	\$9,537	4.7%	92	\$2,408	\$3,531	3.5%	81	\$1,003	\$13,735	4.3%
Refrigerated, Cooler	\$699	4.3%	183	\$330	\$4,261	2.1%	66	\$1,500	\$3,189	3.2%	95	\$772	\$8,150	2.5%
Snacks, Cookies	\$715	4.4%	206	\$300	\$7,102	3.5%	116	\$1,422	\$5,135	5.1%	187	\$632	\$12,952	4.1%
Soda, Water, Tea, Energy Drinks	\$382	2.4%	86	\$383	\$3,977	2.0%	42	\$2,199	\$2,802	2.8%	81	\$796	\$7,161	2.2%
Total Food	\$9,627	59.2%	2,778	\$299	\$96,915	47.8%	1,515	\$1,486	\$53,815	53.5%	1,743	\$710	\$160,356	50.1%
Apparel (tags only)	\$285	1.8%	377	\$65	\$4,951	2.4%	164	\$701	\$2,113	2.1%	202	\$241	\$7,349	2.3%
Appliances	\$62	0.4%	48	\$111	\$1,684	0.8%	51	\$767	\$473	0.5%	37	\$294	\$2,219	0.7%
Automotive, Tires, Batteries	\$93	0.6%	102	\$78	\$5,154	2.5%	149	\$803	\$1,660	1.7%	177	\$216	\$6,907	2.2%
Baby Food and Supplies	\$276	1.7%	99	\$241	\$1,055	0.5%	25	\$980	\$1,811	1.8%	66	\$631	\$3,143	1.0%
Batteries, Cameras	\$29	0.2%	18	\$140	\$304	0.2%	9	\$785	\$332	0.3%	24	\$318	\$666	0.2%
Bed, Bath, Mattresses	\$72	0.4%	56	\$110	\$2,110	1.0%	64	\$766	\$704	0.7%	62	\$261	\$2,886	0.9%
Books, Movies	\$163	1.0%	251	\$56	\$3,653	1.8%	171	\$496	\$402	0.4%	234	\$40	\$4,218	1.3%
Computers, Supplies, Software	\$120	0.7%	46	\$226	\$1,968	1.0%	49	\$933	\$755	0.8%	57	\$305	\$2,843	0.9%
Detergents, Cleaning Supplies, Fresheners	\$569	3.5%	117	\$419	\$5,357	2.6%	60	\$2,074	\$3,702	3.7%	96	\$887	\$9,629	3.0%
Electronics - TV, Headphones, Tablets	\$472	2.9%	114	\$357	\$6,392	3.2%	78	\$1,903	\$2,706	2.7%	101	\$616	\$9,570	3.0%
Furniture, TV Stands, TV Mounts	\$8	0.1%	12	\$58	\$1,380	0.7%	42	\$763	\$171	0.2%	19	\$207	\$1,559	0.5%
Gift Cards (high discount), Flowers	\$8	0.0%	7	\$97	\$548	0.3%	22	\$578	\$55	0.1%	19	\$67	\$611	0.2%
Hardware, Tools	\$55	0.3%	37	\$129	\$1,867	0.9%	44	\$985	\$674	0.7%	45	\$345	\$2,596	0.8%
Health and Beauty Aids	\$797	4.9%	581	\$118	\$10,714	5.3%	378	\$658	\$3,169	3.2%	416	\$175	\$14,680	4.6%
Home Furnishing, Lighting, Plants, Frames	\$55	0.3%	39	\$122	\$1,360	0.7%	41	\$770	\$241	0.2%	20	\$278	\$1,656	0.5%
Housewares, Vacuums	\$81	0.5%	55	\$127	\$1,035	0.5%	31	\$775	\$342	0.3%	27	\$291	\$1,458	0.5%
Jewelry, Fragrances, Collectibles	\$1	0.0%	2	\$63	\$5,154	2.5%	241	\$497	\$2,032	2.0%	477	\$98	\$7,188	2.2%
Kitchen Supplies	\$138	0.9%	75	\$159	\$1,907	0.9%	48	\$923	\$1,107	1.1%	74	\$344	\$3,152	1.0%
Office Equipment, Furniture, Phone	\$55	0.3%	41	\$116	\$690	0.3%	21	\$763	\$543	0.5%	48	\$260	\$1,289	0.4%
Office Supplies, School, Cartridges	\$109	0.7%	109	\$86	\$1,502	0.7%	45	\$775	\$966	1.0%	199	\$112	\$2,576	0.8%
Paper Products	\$390	2.4%	75	\$449	\$3,531	1.7%	37	\$2,216	\$2,258	2.2%	55	\$944	\$6,179	1.9%
Pet	\$423	2.6%	91	\$401	\$2,577	1.3%	31	\$1,931	\$2,052	2.0%	53	\$891	\$5,052	1.6%
Plastic Products, Trash Bags, Tin Foil	\$293	1.8%	71	\$356	\$3,024	1.5%	35	\$2,006	\$2,213	2.2%	81	\$629	\$5,530	1.7%
Seasonal	\$228	1.4%	154	\$127	\$3,125	1.5%	134	\$542	\$1,409	1.4%	138	\$235	\$4,761	1.5%
Sports, Camping, Luggage	\$23	0.1%	35	\$56	\$812	0.4%	23	\$820	\$332	0.3%	36	\$212	\$1,166	0.4%
Tobacco	\$63	0.4%	55	\$99	\$406	0.2%	30	\$314	\$773	0.8%	77	\$231	\$1,242	0.4%
Toys, Video Games	\$122	0.8%	105	\$100	\$2,119	1.0%	82	\$600	\$584	0.6%	65	\$207	\$2,825	0.9%
Total Non-Food	\$4,990	30.7%	2,772	\$155	\$74,379	36.7%	2,105	\$821	\$33,581	33.4%	2,905	\$266	\$112,950	35.3%
Ancillary Business	\$1,644	10.1%	n/a	n/a	\$31,626	15.6%	n/a	n/a	\$13,215	13.1%	n/a	n/a	\$46,485	14.5%
Overall Total	\$16,261		5,550	\$227	\$202,920		3,620	\$1,099	\$100,610		4,648	\$433	\$319,791	

WCF research, estimates. SKU counts in December, 2020.

2021	BJ's				Costco				Sam's Club				Industry	
Worldwide Locations	223				828				836				1,887	
Dry Grocery Data	Annual Sales		SKU		Annual Sales		SKU		Annual Sales		SKU		Annual Sales	
	million \$	percent	total	\$/week/club	million \$	percent	total	\$/week/club	million \$	percent	total	\$/week/club	million \$	percent
Baking	\$226	9.6%	40	\$486	\$2,406	9.8%	35	\$1,597	\$1,382	9.9%	38	\$836	\$4,013	9.8%
Breakfast Items, Peanut Butter	\$115	4.9%	22	\$451	\$1,400	5.7%	27	\$1,204	\$783	5.6%	25	\$721	\$2,298	5.6%
Canned Meat, Chicken, Seafood	\$113	4.8%	27	\$360	\$943	3.8%	14	\$1,564	\$601	4.3%	8	\$1,729	\$1,657	4.1%
Cereal	\$228	9.7%	31	\$634	\$1,817	7.4%	19	\$2,221	\$1,412	10.1%	29	\$1,120	\$3,457	8.5%
Coffee, Tea, Hot Chocolate	\$280	11.9%	53	\$455	\$2,922	11.9%	34	\$1,996	\$1,664	11.9%	43	\$890	\$4,866	11.9%
Condiments, Sauces, Dressings	\$162	6.9%	79	\$177	\$1,891	7.7%	37	\$1,187	\$1,175	8.4%	54	\$500	\$3,227	7.9%
Dried Fruit	\$55	2.3%	19	\$250	\$623	2.5%	10	\$1,446	\$137	1.0%	4	\$788	\$815	2.0%
Drink Mixes	\$29	1.2%	15	\$168	\$209	0.9%	4	\$1,216	\$81	0.6%	7	\$267	\$320	0.8%
Fruit, Vegetable, Pudding	\$176	7.5%	26	\$585	\$1,694	6.9%	27	\$1,457	\$1,042	7.5%	19	\$1,261	\$2,912	7.1%
Juice, Gatorade, Shelf Stable Milk	\$247	10.5%	64	\$332	\$2,897	11.8%	41	\$1,641	\$1,827	13.1%	29	\$1,449	\$4,971	12.2%
Ethnic	\$94	4.0%	18	\$451	\$958	3.9%	18	\$1,236	\$67	0.5%	4	\$386	\$1,119	2.7%
Oils	\$75	3.2%	22	\$295	\$1,080	4.4%	19	\$1,321	\$509	3.6%	21	\$558	\$1,665	4.1%
Olives, Tomato Products	\$89	3.8%	12	\$642	\$908	3.7%	13	\$1,623	\$531	3.8%	9	\$1,358	\$1,529	3.7%
Pasta, Rice, Beans, Potatoes	\$256	10.9%	57	\$387	\$2,431	9.9%	29	\$1,947	\$1,461	10.4%	34	\$989	\$4,148	10.1%
Soup	\$75	3.2%	28	\$232	\$859	3.5%	14	\$1,426	\$445	3.2%	16	\$639	\$1,379	3.4%
Spices	\$129	5.5%	52	\$214	\$1,515	6.2%	48	\$733	\$867	6.2%	89	\$224	\$2,511	6.1%
Dry Grocery Total	\$2,350		565	\$359	\$24,553		389	\$1,466	\$13,985		429	\$750	\$40,888	

WCF research, estimates. SKU counts in December, 2020.

The highlighted column under each warehouse club operator provides an estimate of the average weekly sales per item per club in each category. The chart on top represents all categories within each club except greeting cards (BJ's only) and optical. The smaller chart on the bottom represents the sub-categories within the dry grocery department. The percentage figures in the top chart represent category penetration of overall club sales and the percentage figures in the bottom chart represent category penetration of the dry grocery department. All sales data is in millions of dollars.

WCF uses an objective method to estimate the category sales data in the two charts. First, the clubs report actual sales data with Costco reporting monthly figures and BJ's and Sam's reporting quarterly figures. Second, each club details department sales percentages in their 10K annual reports. Third, each club lists the categories that comprise each of the departments. Fourth, WCF develops sales percentage (penetration) estimates for each category in the charts on page six that are based on company trends, industry trends, industry research and WCF experience. Lastly, WCF adds up the estimated category sales percentages to make sure they "tie" to the department sales percentages reported in each club's 10K annual report.

Please note the following: the category sales data is NOT based on year-over-year growth of individual categories but it does represent a "snapshot" of the estimated performance of each category for one single year.

Item Sales

The chart on the right shows calendar year item sales data for BJ's, Costco, Cost-U-Less, PriceSmart and Sam's Club. The chart is based on 2021 calendar year sales and SKU counts as well as the average number of club locations at the end of the previous two calendar years. The chart includes: yearly sales per club (excluding online sales), weekly sales per club (excluding online sales), sales per square foot (excluding online sales), annual sales per item if it is stocked in every location (excluding ancillary) and weekly sales per item for one location (excluding ancillary).

Club	2021 Calendar Year				
	Sales per Club		Sales per Square Foot	Sales per SKU	
	Yearly (million)	Weekly (million)		Yearly/Chain (million)	Weekly/Club
Costco	\$232	\$4.5	\$1,591	\$47.3	\$1,099
PriceSmart	\$74	\$1.4	\$1,479	\$1.4	\$557
Sam's Club	\$112	\$2.1	\$833	\$18.8	\$433
Cost-U-Less	\$26	\$0.5	\$731	\$0.1	\$141
BJ's	\$69	\$1.3	\$640	\$2.6	\$227

WCF research and club reports.

Please note the following: PriceSmart provides square footage data in its 10K annual report. It defines its square footage as "sales floor space" which does not include the entire square footage of each building like BJ's, Costco and Sam's Club. Using this smaller square footage data point elevates PriceSmart's sales per square foot figure by approximately 25% in comparison to the other club operators.

An average Costco location generates the highest average annual volume at \$232 million compared to Sam's Club at \$112 million, PriceSmart at \$74 million, BJ's at \$69 million and Cost-U-Less at \$26 million. In terms of sales per square foot, Costco has the highest figure at \$1,591 followed by PriceSmart at \$1,479, Sam's Club at \$833, Cost-U-Less at \$731 and BJ's at \$640. When looking at sales per item per week per club, the average SKU at Costco generates \$1,099 followed by PriceSmart at \$557, Sam's Club at \$433, BJ's at \$227 and Cost-U-Less at \$141.

Domestic Market Share

The chart on the right shows domestic market share sales and square foot percentages for BJ's, Costco and Sam's Club.

United States Club Market Share								
Calendar Year	2015	2016	2017	2018	2019	2020	2021	CAGR
Total Sales	Costco	54%	55%	57%	60%	61%	62%	2%
	Sam's	38%	37%	36%	33%	32%	31%	-3%
	BJ's	8%	8%	7%	7%	7%	7%	-3%
Square Footage	Costco	39%	40%	40%	43%	43%	44%	2%
	Sam's	48%	47%	47%	44%	44%	43%	-2%
	BJ's	13%	13%	13%	13%	13%	13%	0%

WCF research and club reports.

Total Sales – The data in this section includes ancillary sales. Costco has grown its share of United States club sales from 54% in 2015 to 62% in 2021. Sam's share of United States club sales decreased from 38% in 2015 to 31% in 2021 and BJ's share of United States club sales decreased from 8% in 2015 to 7% in 2021.

Square Footage – Costco's share of United States club square footage surpassed Sam's for the first time in 2020. Costco's club square footage share nationally increased from 39% in 2015 to 45% in 2021 while Sam's club square footage share nationally decreased from 48% in 2015 to 43% in 2021. BJ's club square footage share nationally remained at 13% from 2015 to 2021.

2026 Projections

This section provides worldwide warehouse club expansion and merchandise sales projections for the next five calendar years from 2022 through 2026 (see charts on the next page). The sales and location projections are based on announced expansion plans, industry research, past sales performance, average sales per existing and new locations and projected comparable sales.

BJ's – The pandemic will have a positive impact on BJ's comparable sales and expansion plans. From 2013 through 2019, prior to the pandemic, BJ's comparable sales including gasoline averaged a negative 0.4%. From 2022 through 2026, BJ's comparable sales are projected to range from 2.6% to 4.3%.

Calendar	BJ's Wholesale			Costco						
	United States			United States		International	Worldwide		Comps	
	Sales	Clubs	Comps	Sales	Clubs	Sales	Clubs	Sales		Clubs
2022	\$17,305	233	4.3%	\$160,212	583	\$61,898	268	\$22,110	851	8.0%
2023	\$18,084	238	3.5%	\$172,567	597	\$66,799	276	\$239,365	873	6.5%
2024	\$18,748	241	3.1%	\$186,103	610	\$72,437	286	\$258,541	896	6.8%
2025	\$19,395	244	2.9%	\$201,119	623	\$78,787	297	\$279,905	920	7.1%
2026	\$20,037	248	2.6%	\$215,050	635	\$84,908	309	\$299,959	944	6.1%
22-26 CAGR	3.7%	1.6%	n/a	7.6%	2.2%	8.2%	3.6%	7.8%	2.6%	n/a

Sales figures are in millions.

Over the past five years, BJ's opened a total of nine clubs. BJ's will be opening four locations in January, 2022 and is projected to open an additional six clubs this year for a total of ten. From 2023 through 2026, BJ's will open an average of four clubs annually. By the end of 2026, BJ's will operate 248 clubs nationally with annual sales of \$20.04 billion.

Calendar	Sam's Club						PriceSmart			
	United States		International	Worldwide		Comps	International			
	Sales	Clubs	Sales	Clubs	Sales		Clubs	Comps		
2022	\$78,481	593	\$30,196	254	\$108,677	847	7.4%	\$4,114	52	10.4%
2023	\$83,122	595	\$32,640	266	\$115,762	861	5.8%	\$4,629	56	8.8%
2024	\$87,329	598	\$34,759	275	\$122,088	873	4.9%	\$5,138	60	7.7%
2025	\$92,178	601	\$37,156	284	\$129,334	885	5.4%	\$5,618	63	7.1%
2026	\$96,825	606	\$39,344	291	\$136,169	897	4.8%	\$6,149	65	8.1%
22-26 CAGR	5.4%	0.5%	6.8%	3.5%	5.8%	1.4%	n/a	10.6%	5.7%	n/a

Sales figures are in millions.

Costco – Over the past five years, Costco opened 105 clubs including 39 internationally and 66 nationally. In its most recent quarterly conference call, Costco stated it will open 32 locations including five relocations in its 2022 fiscal year ending August, 2022. To be conservative, Costco is projected to open 23 locations in 2022 (15 clubs in the United States and eight internationally).

Calendar	Club Industry						Comps
	United States		International	Worldwide			
	Sales	Clubs	Sales	Clubs	Sales	Clubs	
2022	\$255,998	1,409	\$96,208	574	\$352,206	1,983	7.7%
2023	\$273,772	1,430	\$104,068	598	\$377,840	2,028	6.2%
2024	\$292,179	1,449	\$112,335	621	\$404,514	2,070	6.1%
2025	\$312,691	1,468	\$121,560	644	\$434,252	2,112	6.4%
2026	\$331,913	1,489	\$130,401	665	\$462,314	2,154	5.6%
22-26 CAGR	6.7%	1.4%	7.9%	3.7%	7.0%	2.1%	n/a

Sales figures are in millions.

While Costco has not provided any indication of its expansion plans from 2023 through 2026, the company is projected to open an average of 23 locations annually including 13 nationally and ten internationally. Eventually, Costco's annual location growth will likely shift towards international locations representing a higher annual percentage.

For example, Costco believes it could operate up to 50 locations in Japan (it currently operates 30 in the country), Costco believes the Australian market could support up to 65 locations (it currently operates 13 in the country), Costco believes it could operate 12 clubs in France (it currently operates two clubs in the country) and China offers immense opportunity especially given the strength of Costco's two initial buildings in the country.

By the end of 2026, Costco will operate 635 locations in the United States with annual sales of \$215.05 billion, 309 clubs internationally with annual sales of \$84.91 billion and 944 locations worldwide with annual sales of \$299.96 billion.

Sam's Club – With BJ's increasing its expansion pace and Costco continuing to open clubs in the United States, Sam's Club is projected to begin opening buildings nationally. In the United States, Sam's will open one club in 2022, two buildings in 2023, three locations each in 2024 and 2025 and five locations in 2026. Sam's will continue to open new buildings internationally in Brazil, Mexico and China.

By the end of 2026, Sam's Club will operate 606 locations in the United States with annual sales of \$96.83 billion, 291 clubs internationally with annual sales of \$39.34 billion and 897 locations worldwide with annual sales of \$136.17 billion.

PriceSmart – In its fiscal year end conference call, PriceSmart announced it increased the number of employees on its real estate team to support club and online growth. The company is learning that the combination of its smaller format clubs with its growing online business is increasing the company's market penetration and its opportunity to add more locations.

From 2017 through 2021, PriceSmart opened ten locations. PriceSmart is projected to open 16 locations from 2022 through 2026. By the end of 2026, PriceSmart will operate 65 clubs in Latin America and the Caribbean with annual sales of \$6.15 billion.

Club Industry – National and international sales are included for BJ's, Costco, PriceSmart and Sam's. Cost-U-Less' sales are not included. From 2022 through 2026, club industry national sales will increase 6.7% annually to \$331.91 billion with 1,489 clubs, international sales will increase 7.9% annually to \$130.40 billion with 665 locations and worldwide sales will increase 7.0% annually to \$462.31 billion with 2,154 buildings.

Calendar	Cost-U-Less		
	International		Comps
	Sales	Clubs	
2022	\$332	12	8.0%
2023	\$349	12	5.2%
2024	\$374	13	4.9%
2025	\$404	14	6.0%
2026	\$429	14	6.4%
22-26 CAGR	6.7%	3.9%	

Sales figures are in millions.

Cost-U-Less – WCF projects that Cost-U-Less will open a new location in 2024 and 2025. By the end of 2026, Cost-U-Less will operate 14 locations with annual sales of \$429 million (see chart on the right).