UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended April 30, 2022

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _______ to _______

Commission File Number: 001-38559

BJ'S WHOLESALE CLUB HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**45-2936287**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
25 Research Drive	
Westborough, Massachusetts	**01581**
(Address of principal executive offices)	(Zip Code)

(774) 512-7400
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.01	BJ	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth Company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of May 20, 2022, the registrant had 135,181,838 shares of common stock, $0.01 par value per share, outstanding.

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TRADEMARKS

BJ’s Wholesale Club®, BJ’s®, Wellsley Farms®, Berkley Jensen®, My BJ’s Perks®, BJ’s Easy Renewal®, BJ’s Gas®, BJ’s Perks Elite®, BJ’s Perks Plus®, Inner Circle®, ExpressPay® and BJ’s Perks Rewards® are all registered trademarks of BJ’s Wholesale Club, Inc. Other trademarks, tradenames and service marks appearing in this Quarterly Report on Form 10-Q are the property of their respective owners. We do not intend our use or display of those other parties’ trademarks, trade names or service marks to imply, and such use or display should not be construed to imply, a relationship with, or endorsement or sponsorship of us by, these other parties. Solely for convenience, trademarks, trade names and service marks referred to in this Quarterly Report on Form 10-Q may appear without the ®, ™ or ℠ symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the right of the applicable licensor to these trademarks, trade names and service marks.

DEFINED TERMS

As used in this Quarterly Report on Form 10-Q, unless the context otherwise requires:

- "the Company", "BJ’s", "we", "us" and "our" mean BJ’s Wholesale Club Holdings, Inc. and, unless the context otherwise requires, its consolidated subsidiaries;
- "ABL Facility" means the Company’s senior secured asset based revolving credit and term facility;
- "First Lien Term Loan" means the Company’s senior secured first lien term loan facility;
- "fiscal year 2021" means the 52 weeks ended January 29, 2022;
- "fiscal year 2022" means the 52 weeks ending January 28, 2023; and
- "GAAP" means generally accepted accounting principles in the United States of America.

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

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

	April 30, 2022	January 29, 2022	May 1, 2021
ASSETS			
Current assets:			
Cash and cash equivalents	$ 37,952	$ 45,436	$ 62,954
Accounts receivable, net	210,405	173,951	197,991
Merchandise inventories	1,462,098	1,242,935	1,120,334
Prepaid expenses and other current assets	58,814	54,734	54,258
Total current assets	1,769,269	1,517,056	1,435,537
Operating lease right-of-use assets, net	2,177,777	2,131,986	2,119,629
Property and equipment, net	989,658	942,331	815,303
Goodwill	924,134	924,134	924,134
Intangibles, net	122,332	124,640	132,502
Deferred income taxes	4,595	5,507	3,349
Other assets	22,240	23,240	18,752
Total assets	$ 6,010,005	$ 5,668,894	$ 5,449,206
LIABILITIES			
Current liabilities:			
Current portion of long-term debt	$ 80,000	$ —	$ 210,000
Current portion of operating lease liabilities	169,423	141,453	132,869
Accounts payable	1,267,102	1,112,783	1,023,140
Accrued expenses and other current liabilities	692,530	748,245	669,924
Total current liabilities	2,209,055	2,002,481	2,035,933
Long-term operating lease liabilities	2,107,532	2,059,760	2,050,950
Long-term debt	748,987	748,568	747,311
Deferred income taxes	58,511	52,850	45,529
Other non-current liabilities	164,578	157,127	155,959
Commitments and contingencies (see Note 5)			
STOCKHOLDERS' EQUITY			
Preferred stock; par value $0.01; 5,000 shares authorized, and no shares issued	—	—	—
Common stock, par value $0.01; 300,000 shares authorized, 145,941 shares issued and 135,195 outstanding at April 30, 2022; 145,451 shares issued and 135,506 outstanding at January 29, 2022; and 144,018 shares issued and 137,240 outstanding at May 1, 2021	1,459	1,454	1,440
Additional paid-in capital	914,120	902,704	855,168
Accumulated earnings (deficit)	243,763	131,313	(213,760)
Accumulated other comprehensive income (loss)	2,010	1,305	(12,676)
Treasury stock, at cost, 10,746 shares at April 30, 2022; 9,945 shares at January 29, 2022; and 6,778 shares at May 1, 2021	(440,010)	(388,668)	(216,648)
Total stockholders' equity	721,342	648,108	413,524
Total liabilities and stockholders' equity	$ 6,010,005	$ 5,668,894	$ 5,449,206

The accompanying notes are an integral part of the condensed consolidated financial statements.

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

	Thirteen Weeks Ended	
	April 30, 2022	**May 1, 2021**
Net sales	$ 4,399,810	$ 3,781,834
Membership fee income	96,625	86,388
Total revenues	4,496,435	3,868,222
Cost of sales	3,705,838	3,141,497
Selling, general and administrative expenses	635,380	599,910
Pre-opening expense	4,900	561
Operating income	150,317	126,254
Interest expense, net	7,841	19,285
Income from continuing operations before income taxes	142,476	106,969
Provision for income taxes	30,019	25,383
Income from continuing operations	112,457	81,586
Loss from discontinued operations, net of income taxes	(7)	(7)
Net income	$ 112,450	$ 81,579
Income per share attributable to common stockholders—basic:		
Income from continuing operations	$ 0.84	$ 0.60
Loss from discontinued operations	—	—
Net income	$ 0.84	$ 0.60
Income per share attributable to common stockholders—diluted:		
Income from continuing operations	$ 0.82	$ 0.59
Loss from discontinued operations	—	—
Net income	$ 0.82	$ 0.59
Weighted average shares of common stock outstanding:		
Basic	134,244	135,709
Diluted	136,702	138,662
Other comprehensive income:		
Amounts released from other comprehensive income, net of tax	$ 117	$ 4,665
Unrealized gain on cash flow hedge, net of income tax provision of $229 and $1,240, respectively	588	3,187
Total other comprehensive income	705	7,852
Total comprehensive income	$ 113,155	$ 89,431

The accompanying notes are an integral part of the condensed consolidated financial statements.

BJ'S WHOLESALE CLUB HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Amounts in thousands)
(Unaudited)

	Common Stock		Additional Paid-in Capital	Accumulated Earnings	Accumulated Other Comprehensive Income	Treasury Stock		Total Stockholders' Equity
	Shares	Amount				Shares	Amount	
Balance, January 29, 2022	145,451	$ 1,454	$ 902,704	$ 131,313	$ 1,305	(9,945)	$ (388,668)	$ 648,108
Net income	—	—	—	112,450	—	—	—	112,450
Amounts released from other comprehensive income, net of tax	—	—	—	—	117	—	—	117
Unrealized gain on cash flow hedge, net of tax	—	—	—	—	588	—	—	588
Common stock issued under stock incentive plans	490	5	(5)	—	—	—	—	—
Stock compensation expense	—	—	9,115	—	—	—	—	9,115
Net cash received on option exercises	—	—	2,306	—	—	—	—	2,306
Treasury stock purchases	—	—	—	—	—	(801)	(51,342)	(51,342)
Balance, April 30, 2022	145,941	$ 1,459	$ 914,120	$ 243,763	$ 2,010	(10,746)	$ (440,010)	$ 721,342

	Common Stock		Additional Paid-in Capital	Accumulated (Deficit)	Accumulated Other Comprehensive Loss	Treasury Stock		Total Stockholders' Equity
	Shares	Amount				Shares	Amount	
Balance, January 30, 2021	143,428	$ 1,434	$ 826,377	$ (295,339)	$ (20,528)	(6,236)	$ (192,617)	$ 319,327
Net income	—	—	—	81,579	—	—	—	81,579
Amounts released from other comprehensive income, net of tax	—	—	—	—	4,665	—	—	4,665
Unrealized loss on cash flow, net of tax	—	—	—	—	3,187	—	—	3,187
Common stock issued under stock incentive plans	590	6	(6)	—	—	—	—	—
Stock compensation expense	—	—	27,300	—	—	—	—	27,300
Net cash received on option exercises	—	—	1,497	—	—	—	—	1,497
Treasury stock purchases	—	—	—	—	—	(542)	(24,031)	(24,031)
Balance, May 1, 2021	144,018	$ 1,440	$ 855,168	$ (213,760)	$ (12,676)	(6,778)	$ (216,648)	$ 413,524

The accompanying notes are an integral part of the condensed consolidated financial statements.

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

	Thirteen Weeks Ended	
	April 30, 2022	May 1, 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 112,450	$ 81,579
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	47,109	44,386
Amortization of debt issuance costs and accretion of original issue discount	832	891
Debt extinguishment charges	—	657
Stock-based compensation expense	9,115	27,300
Deferred income tax (benefit) provision	6,299	(233)
Changes in operating leases and other non-cash items	29,892	1,200
Increase (decrease) in cash due to changes in:		
Accounts receivable	(36,454)	(25,272)
Merchandise inventories	(219,163)	85,361
Prepaid expenses and other current assets	(3,566)	(2,180)
Other assets	587	1,302
Accounts payable	154,319	35,066
Accrued expenses and other current liabilities	(58,780)	13,127
Other non-current liabilities	1,668	(14,219)
Net cash provided by operating activities	44,308	248,965
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment, net of disposals	(90,533)	(74,690)
Proceeds from sale leaseback transactions	—	16,630
Net cash used in investing activities	(90,533)	(58,060)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on First Lien Term Loan	—	(100,000)
Proceeds from ABL Facility	115,000	—
Payments on ABL Facility	(35,000)	(50,000)
Net cash received from stock option exercises	2,306	1,497
Acquisition of treasury stock	(51,342)	(24,031)
Proceeds from financing obligations	8,072	1,333
Other financing activities	(295)	(268)
Net cash provided by (used in) financing activities	38,741	(171,469)
Net increase (decrease) in cash and cash equivalents	(7,484)	19,436
Cash and cash equivalents at beginning of period	45,436	43,518
Cash and cash equivalents at end of period	$ 37,952	$ 62,954
Supplemental cash flow information:		
Interest paid	$ 6,993	$ 12,021
Income taxes paid	10,925	5,668
Non-cash financing and investing activities:		
Lease liabilities arising from obtaining right-of-use assets	123,339	101,222
Property additions included in accrued expenses	23,974	13,515

The accompanying notes are an integral part of the condensed consolidated financial statements.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Description of Business

BJ's Wholesale Club Holdings, Inc. and its wholly-owned subsidiaries is a leading warehouse club operator primarily on the east coast of the United States. As of April 30, 2022, the Company operated 227 warehouse clubs and 159 gas stations in 17 states.

The Company follows and reports based on the National Retail Federation's fiscal calendar. The thirteen week periods ended April 30, 2022 and May 1, 2021 are referred to herein as the "first quarter of fiscal year 2022" and the "first quarter of fiscal year 2021," respectively.

The novel coronavirus ("COVID-19") pandemic has severely impacted the economies of the U.S. and other countries around the world. In the preparation of these financial statements and related disclosures we have assessed the impact that COVID-19 has had on our estimates, assumptions and accounting policies and made additional disclosures, as necessary.

On May 2, 2022, the Company closed the previously announced acquisition of the assets and operations of four distribution centers and the related private transportation fleet from Burris Logistics, LLC. The Company financed the purchase price with a combination of available cash and borrowings under the Company's ABL Facility.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying interim financial statements of BJ's Wholesale Club Holdings, Inc. are unaudited and, in the opinion of management, reflect all normal recurring adjustments considered necessary for a fair statement of the Company's financial statements in accordance with GAAP.

The condensed consolidated balance sheet as of January 29, 2022 is derived from the audited consolidated balance sheet as of that date. The unaudited results of operations for the first quarter of fiscal year 2022 are not necessarily indicative of future results or results to be expected for fiscal year 2022. The Company's business, in common with the business of retailers generally, is subject to seasonal influences. The Company's sales and operating income have typically been highest in the fourth quarter holiday season and lowest in the first quarter of each fiscal year.

These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and footnotes thereto included in our Annual Report on Form 10-K for the fiscal year 2021, as filed with the Securities and Exchange Commission on March 17, 2022.

Recently Adopted Accounting Pronouncements

The accounting policies the Company follows are set forth in its audited financial statements for fiscal year 2021 included in its Annual Report on Form 10-K for the fiscal year 2021. There have been no material changes to these accounting policies and no material pronouncements adopted.

3. Revenue Recognition

Performance Obligations

The Company identifies each distinct performance obligation to transfer goods (or bundle of goods) or services. The Company recognizes revenue as it satisfies a performance obligation by transferring control of the goods or services to the customer.

Net sales—The Company recognizes net sales at clubs and gas stations when the customer takes possession of the goods and tenders payment. Sales tax is recorded as a liability at the point of sale. Revenue is recorded at the point of sale based on the transaction price on the shelf sign, net of any applicable discounts, sales tax and expected refunds. For e-commerce sales, the Company recognizes sales when control of the merchandise is transferred to the customer, which is typically at the shipping point. The following table summarizes the Company's point of sale transactions at clubs and gas stations, excluding sales tax, as a percentage of both net sales and total revenues:

	Thirteen Weeks Ended	
	April 30, 2022	May 1, 2021
Point of sale transactions, excluding sales tax, as a percent of net sales	92%	93%
Point of sale transactions, excluding sales tax, as a percent of total revenues	90%	91%

BJ's Perks Rewards and My BJ's Perks programs—The Company's BJ's Perks Rewards® membership program allows participating members to earn 2% cash back, up to a maximum of $500 per year, on qualified purchases made at BJ's. The Company also offers a co-branded credit card program, the My BJ's Perks® program, which allows My BJ's Perks® Mastercard credit card holders to earn up to 5% cash back on eligible purchases made at BJ's and up to 2% cash back on purchases made with the card outside of BJ's. Cash back has been in the form of electronic awards issued in $10 increments that may be used online or in-club at the register and expire six months from the date issued.

Earned awards may be redeemed on future purchases made at the Company. The Company recognizes revenue for earned awards when customers redeem such awards as part of a purchase at one of the Company's clubs or on the Company's website or app. The Company accounts for these transactions as multiple element arrangements and allocates the transaction price to separate performance obligations using their relative fair values. The Company includes the fair value of award dollars earned in deferred revenue at the time the award dollars are earned. This liability was $32.5 million at April 30, 2022, $30.3 million at January 29, 2022 and $24.8 million at May 1, 2021.

Royalty revenue received in connection with the My BJ's Perks co-brand credit card program is variable consideration and is considered deferred until the card holder makes a purchase. The Company's total deferred royalty revenue related to the outstanding My BJ's Perks Rewards was $29.2 million, $17.8 million and $18.0 million at April 30, 2022, January 29, 2022 and May 1, 2021, respectively. The timing of revenue recognition is driven by actual customer activities, such as redemptions and expirations. As of April 30, 2022, the Company expects to recognize substantially all of the $29.2 million by the end of fiscal year 2022.

Membership—The Company charges a membership fee to its customers. That fee allows customers to shop in the Company's clubs, shop on the Company's website and app and purchase gasoline at the Company's gas stations for the duration of the membership, which is generally 12 months. As the Company has the obligation to provide access to its clubs, website, app and gas stations for the duration of the membership term, the Company recognizes membership fees on a straight-line basis over the life of the membership. The Company's deferred revenue related to membership fees was $185.2 million, $174.9 million and $167.8 million at April 30, 2022, January 29, 2022 and May 1, 2021, respectively.

Gift Card Program—The Company sells BJ's gift cards in both physical and digital format, which allow customers to redeem the card for future purchases equal to the amount of the original purchase price of the gift card. Revenue from gift card sales is recognized in proportion to its rate of gift card redemptions as the Company's performance obligation to redeem the gift card for merchandise is satisfied when the gift card is redeemed. The Company also recognizes breakage in proportion to its rate of gift card redemptions. Deferred revenue related to gift cards was $11.2 million, $11.8 million and $9.6 million at April 30, 2022, January 29, 2022 and May 1, 2021, respectively. The Company recognized $10.5 million and $8.8 million of revenue from gift card redemptions in the first quarter of fiscal year 2022 and first quarter of fiscal year 2021, respectively.

Disaggregation of Revenue

The Company's club retail operations, which include retail club and other sales procured from our clubs and distribution centers, represent substantially all of its consolidated total revenues, and are the Company's only reportable segment. All the

Company's identifiable assets are in the United States. The Company does not have significant sales outside the United States, nor does any customer represent more than 10% of total revenues for any period presented.

The following table summarizes the Company's percentage of net sales disaggregated by category:

	Thirteen Weeks Ended	
	April 30, 2022	**May 1, 2021**
Grocery	67 %	72 %
General Merchandise & Services	11 %	15 %
Gasoline and Other	22 %	13 %

4. Debt and Credit Arrangements

The following table summarizes the Company's debt (in thousands):

	April 30, 2022	**January 29, 2022**	**May 1, 2021**
ABL Facility	$ 130,000	$ 50,000	$ 260,000
First Lien Term Loan	701,920	701,920	701,920
Unamortized debt discount and debt issuance cost	(2,933)	(3,352)	(4,609)
Less: current portion	(80,000)	—	(210,000)
Long-term debt	$ 748,987	$ 748,568	$ 747,311

ABL Facility

The ABL Facility is comprised of a $950.0 million revolving credit facility and a $50.0 million term loan. The ABL Facility is secured on a senior basis by certain liquid assets of the Company and secured on a junior basis by certain fixed assets of the Company. Payment terms on the $50.0 million term loan are restricted in that the term loan cannot be repaid unless all loans outstanding under the revolving credit facility are repaid, and once repaid, cannot be re-borrowed. The availability under the $950.0 million revolving credit facility is restricted based on eligible monthly merchandise inventories and receivables as defined in the agreement governing the ABL Facility. Interest on the revolving credit facility is calculated either at LIBOR plus a range of 125 to 175 basis points or a base rate plus a range of 25 to 75 basis points; and interest on the term loan is calculated at LIBOR plus a range of 200 to 250 basis points or a base rate plus a range of 100 to 150 basis points, in all cases based on excess availability. The applicable spread of LIBOR and base rate loans at all levels of excess availability steps down by 12.5 basis points upon achieving total net leverage of 3.00 to 1.00. The ABL Facility also provides a sub-facility for issuances of letters of credit subject to certain fees defined in the agreement governing the ABL Facility. The ABL Facility is subject to various commitment fees during the term of the facility based on utilization of the revolving credit facility, which is scheduled to mature on August 17, 2023.

At April 30, 2022, there were $130.0 million outstanding in loans under the ABL Facility and $10.9 million in outstanding letters of credit. The interest rate on the revolving credit facility was 1.89%, the interest rate of the term loan was 2.45% and unused capacity was $859.1 million.

At January 29, 2022, there were $50.0 million outstanding in loans under the ABL Facility and $12.7 million in outstanding letters of credit. The interest rate on the revolving credit facility was 1.23%, the interest rate of the term loan was 2.10% and unused capacity was $886.9 million.

At May 1, 2021, there were $260.0 million outstanding in loans under the ABL Facility and $15.5 million in outstanding letters of credit. The interest rate on the revolving credit facility was 1.24%, the interest rate of the term loan was 2.11% and unused capacity was $650.4 million.

First Lien Term Loan

The Company's First Lien Term Loan matures on February 3, 2024. Voluntary prepayments are permitted. Principal payments must be made on the First Lien Term Loan pursuant to an annual excess cash flow calculation when the net leverage ratio exceeds 3.50 to 1.00. The First Lien Term Loan is subject to certain affirmative and negative covenants but no financial covenants. It is secured on a senior basis by certain fixed assets of the Company and on a junior basis by certain liquid assets of the Company.

On April 30, 2021, the Company used $100.0 million of cash and cash equivalents to pay $100.0 million of the principal amount outstanding on the First Lien Term Loan. In connection with the payment, the Company expensed $0.7 million of previously capitalized debt issuance costs and original issue discount.

There was $701.9 million outstanding on the First Lien Term Loan at April 30, 2022, January 29, 2022 and May 1, 2021. Interest rates for the First Lien Term Loan were 2.52%, 2.11% and 2.11% at April 30, 2022, January 29, 2022 and May 1, 2021, respectively.

5. Commitments and Contingencies

The Company is involved in various legal proceedings that are typical of a retail business. In accordance with applicable accounting guidance, an accrual will be established for legal proceedings if and when those matters present loss contingencies that are both probable and estimable. The Company does not believe the resolution of any current proceedings will result in a material loss to the condensed consolidated financial statements.

6. Stock Incentive Plans

On June 13, 2018, the Company's board of directors adopted, and its stockholders approved, the BJ's Wholesale Club Holdings, Inc. 2018 Incentive Award Plan (the "2018 Plan"). The 2018 Plan provides for the grant of stock options, restricted stock, dividend equivalents, stock payments, restricted stock units, performance shares, other incentive awards, stock appreciation rights, and cash awards. Prior to the adoption of the 2018 Plan, the Company granted stock-based compensation to employees and non-employee directors under the Fourth Amended and Restated 2011 Stock Option Plan of BJ's Wholesale Club, Inc. (f/k/a Beacon Holding Inc.), as amended (the "2011 Plan") and the 2012 Director Stock Option Plan of BJ's Wholesale Club Holdings, Inc. (f/k/a Beacon Holding, Inc.), as amended (the "2012 Director Plan"). No further grants will be made under the 2011 Plan or the 2012 Director Plan.

The 2018 Plan authorizes the issuance of 13,148,058 shares, including 985,369 shares that were reserved but not issued under the 2011 Plan and the 2012 Director Plan. If an award under the 2018 Plan, the 2011 Plan or the 2012 Director Plan is forfeited, expires or is settled for cash, any shares subject to such award may, to the extent of such forfeiture, expiration or cash settlement, be used again for new grants under the 2018 Plan. Additionally, shares tendered or withheld to satisfy grant or exercise price, or tax withholding obligations associated with an award under the 2018 Plan, the 2011 Plan or the 2012 Director Plan will be added to the shares authorized for grant under the 2018 Plan. The following shares may not be used again for grant under the 2018 Plan: (1) shares subject to a stock appreciation right ("SAR") that are not issued in connection with the stock settlement of the SAR upon its exercise and (2) shares purchased on the open market with the cash proceeds from the exercise of options under the 2018 Plan, 2011 Plan or 2012 Director Plan. As of April 30, 2022, there were 5,310,185 shares available for future issuance under the 2018 Plan.

On April 16, 2021, the Compensation Committee approved a modification to the equity awards agreements under the 2011 Plan, 2012 Director Plan and 2018 Plan. In the event that an employee is terminated due to death or disability, the modified equity award agreements provide for: (i) full vesting of all time-based awards, including restricted stock awards and stock options, (ii) pro-rata vesting of all performance-based awards, including performance share units, based on actual performance as of the end of the applicable performance period, pro-rated based on the period of employment during the applicable performance period, and (iii) the extension of the post-termination exercise window for vested stock options.

The following table summarizes the Company’s stock award activity during the thirteen weeks ended April 30, 2022 (shares in thousands):

	Stock Options		Restricted Stock		Restricted Stock Units		Performance Stock	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Grant Date Fair Value	Shares	Weighted Average Grant Date Fair Value	Shares	Weighted Average Grant Date Fair Value
Outstanding, January 29, 2022	2,282	$ 19.68	1,053	$ 34.36	26	$ 46.82	674	$ 39.76
Granted	—	—	291	67.63	—	—	181	67.63
Forfeited/canceled	—	—	(7)	38.21	—	—	—	—
Exercised/vested	(207)	11.16	(518)	30.55	—	—	—	—
Outstanding, April 30, 2022	2,075	$ 20.53	819	$ 48.55	26	$ 46.82	855	$ 45.67

Stock-based compensation expense was $9.1 million and $27.3 million for the thirteen weeks ended April 30, 2022 and May 1, 2021, respectively. Stock-based compensation expense in the thirteen weeks ended May 1, 2021 included $17.5 million of stock-based compensation related to the modification of stock awards associated with the passing of a former executive.

On June 14, 2018, the Company’s board of directors adopted, and its stockholders approved, the BJ’s Wholesale Club Holdings, Inc. Employee Stock Purchase Plan (the "ESPP"), which became effective July 1, 2018. The aggregate number of shares of common stock that were to be reserved for issuance under the ESPP was to be equal to the sum of (i) 973,014 shares and (ii) an annual increase on the first day of each calendar year beginning in 2019 and ending in 2028 equal to the lesser of (A) 486,507 shares, (B) 0.5% of the shares outstanding (on an as converted basis) on the last day of the immediately preceding fiscal year and (C) such smaller number of shares as determined by the board of directors. The offering under the ESPP commenced on January 1, 2019. The amount of expense recognized for the thirteen weeks ended April 30, 2022 and May 1, 2021 was $0.2 million and $0.1 million, respectively. As of April 30, 2022, there were 2,128,365 shares available for issuance under the ESPP.

7. Treasury Shares and Share Repurchase Program

Treasury Shares Acquired on Restricted Stock Awards

The Company acquired 229,900 shares to satisfy employees’ tax withholding obligations upon the vesting of restricted stock awards in the thirteen weeks ended April 30, 2022, which were recorded as $15.5 million of treasury stock. The Company acquired 226,404 shares to satisfy employees' tax withholding obligations upon the vesting of restricted stock awards in the thirteen weeks ended May 1, 2021, which were recorded as $10.0 million of treasury stock.

Share Repurchase Program

On November 16, 2021, the Company's board of directors approved a share repurchase program (the "2021 Repurchase Program"), effective immediately, that allows the Company to repurchase up to $500.0 million of its outstanding common stock from time to time as market conditions warrant. The 2021 Repurchase Program expires in January 2025. The Company initiated the 2021 Repurchase Program to mitigate potentially dilutive effects of stock options and shares of restricted stock granted by the Company, in addition to enhancing shareholder value.

The Company repurchased 570,506 shares for $35.8 million during the thirteen weeks ended April 30, 2022. As of April 30, 2022, $435.4 million remained available to purchase under the 2021 Repurchase Program.

8. Income Taxes

The effective income tax rate is based on estimated income from continuing operations for the fiscal year, as well as discrete adjustments, if any, in the applicable quarterly periods. The Company projects the estimated annual effective tax rate for fiscal year 2022 to be 27.2%, excluding the tax effect of discrete events, such as excess tax benefits from stock-based compensation, changes in tax legislation, settlements of tax audits and changes in uncertain tax positions, among others.

The Company's effective income tax rate from continuing operations was 21.1% and 23.7% for the thirteen weeks ended April 30, 2022 and May 1, 2021, respectively. The decrease in the effective tax rate for the thirteen weeks ended April 30, 2022 compared to the thirteen weeks ended May 1, 2021 is due primarily to higher excess tax benefits from stock-based compensation in the current year period.

The Company is subject to taxation in the U.S. federal and various state taxing jurisdictions. The Company's tax years from 2017 forward remain open and subject to examination by the Internal Revenue Service and various state taxing authorities.

9. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date or "exit price." The inputs used to measure fair value are generally classified into the following hierarchy:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2: Unadjusted quoted prices in active markets for similar assets or liabilities, or unadjusted quoted prices for identical or similar assets or liabilities in markets that are not observable for the asset or liability.

Level 3: Unobservable inputs for the asset or liability.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The fair values of the Company's derivative instruments are based on quotes received from third-party banks and represent the estimated amount the Company would pay to terminate the agreements taking into consideration current interest rates as well as the creditworthiness of the counterparties. These inputs are considered to be Level 2.

Financial Assets and Liabilities

The gross carrying amount and fair value of the Company's debt at April 30, 2022 are as follows (in thousands):

	Carrying Amount	Fair Value
First Lien Term Loan	$ 701,920	$ 701,323
ABL Facility	130,000	130,000
Total Debt	$ 831,920	$ 831,323

The gross carrying amount and fair value of the Company's debt at January 29, 2022 are as follows (in thousands):

	Carrying Amount	Fair Value
First Lien Term Loan	$ 701,920	$ 702,053
ABL Facility	50,000	50,000
Total Debt	$ 751,920	$ 752,053

The gross carrying amount and fair value of the Company's debt at May 1, 2021 are as follows (in thousands):

	Carrying Amount	Fair Value
First Lien Term Loan	$ 701,920	$ 701,042
ABL Facility	260,000	260,000
Total Debt	$ 961,920	$ 961,042

Assets and Liabilities Measured at Fair Value on a Non-Recurring Basis

The Company measures certain non-financial assets and liabilities, including long-lived assets, at fair value on a non-recurring basis.

The Company believes that the carrying amounts of its other financial instruments, including cash, accounts receivable, and accounts payable, approximates their carrying value due to the short-term maturities of these instruments.

10. Earnings Per Share

The table below reconciles basic weighted-average shares of common stock outstanding to diluted weighted-average shares of common stock outstanding for the thirteen weeks ended April 30, 2022 and May 1, 2021:

	Thirteen Weeks Ended	
	April 30, 2022	**May 1, 2021**
Weighted-average shares of common stock outstanding, used for basic computation	134,244,223	135,708,783
Plus: Incremental shares of potentially dilutive securities	2,457,738	2,953,181
Weighted-average shares of common stock and dilutive potential shares of common stock outstanding	136,701,961	138,661,964

The table below summarizes restricted shares that were excluded from the computation of diluted earnings for the thirteen weeks ended April 30, 2022 and May 1, 2021, as their inclusion would have been anti-dilutive:

	Thirteen Weeks Ended	
	April 30, 2022	**May 1, 2021**
Restricted shares	95,627	112,759

11. Derivative Financial Instruments

Interest Rate Swaps

On November 13, 2018, the Company entered into three forward starting interest rate swaps (the "interest rate swaps"), which became effective on February 13, 2019. The Company fixed the LIBOR component of $1.2 billion of its floating rate debt at a rate of approximately 3.0% from February 13, 2019 to February 13, 2022. The Company elected hedge accounting for the interest rate swap agreements, and as such, the effective portion of the gains or losses were recorded as a component of other comprehensive income and the ineffective portion of gains or losses were recorded as interest expense.

On April 30, 2021, the Company used $150.0 million of its cash and cash equivalents to pay $100.0 million of the principal amount outstanding on the First Lien Term Loan and $50.0 million of the outstanding amounts on the ABL Facility. The Company accelerated the release of unrealized losses into earnings on the ineffective interest rate swap agreements and released $4.7 million recorded in other comprehensive income to interest expense, net of tax.

On July 30, 2021, the Company used $210.0 million of its cash and cash equivalents to pay $210.0 million of the principal amount outstanding on the ABL Facility. The Company accelerated the release of unrealized losses into earnings on the ineffective interest rate swap agreements and released $3.5 million recorded in other comprehensive income to interest expense, net of tax.

The interest rate swaps expired in February 2022. There was no liability recorded as of April 30, 2022 and $2.2 million and $20.2 million recorded at January 29, 2022 and May 1, 2021, respectively. The net of tax amount for the effective and ineffective interest rate swaps were recorded in other comprehensive income and interest expense, respectively.

There were gains of $0.8 million and $4.4 million recorded in other comprehensive income for the thirteen weeks ended April 30, 2022 and May 1, 2021, respectively. The ineffective portion of gains of $0.3 million and $1.8 million for the thirteen weeks ended April 30, 2022 and May 1, 2021, respectively, were recorded in interest expense.

The fair values of derivative instruments included on the condensed consolidated balance sheets are as follows (in thousands):

Accounting for Cash Flow Hedges	Notional Amount	Fixed Rate	Balance Sheet Classification	Fair Value at April 30, 2022	Fair Value at January 29, 2022	Fair Value at May 1, 2021
Interest rate swap	$ 600,000	3.00 %	Other current liabilities	$ —	$ (1,540)	$ (14,453)
Interest rate swap	360,000	3.00 %	Other current liabilities	—	—	—
Interest rate swap	240,000	3.00 %	Other current liabilities	—	(616)	(5,777)
Net carrying amount	$ 1,200,000		**Total liabilities**	$ —	$ (2,156)	$ (20,230)

12. Subsequent Event

On May 2, 2022, the Company completed its acquisition of the assets and operations of four distribution centers and the related private transportation fleet from Burris Logistics, LLC to bring its end-to-end supply chain in-house.

The total consideration paid by the Company in connection with the acquisition was approximately $377 million, inclusive of approximately $90 million of inventory and other working capital adjustments, subject to certain customary post-closing adjustments and excluding transaction costs. The Company recorded transaction costs related to the acquisition of $7.9 million during the three months ended April 30, 2022. These costs are included in selling, general and administrative expenses in the condensed consolidated statements of operations and comprehensive income.

FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements. 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 (the "Exchange Act"). All statements other than statements of historical facts contained in this Quarterly Report on Form 10-Q should be considered 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 "may", "will", "should", "expect", "plan", "anticipate", "could", "intend", "project", "believe", "estimate", "predict", "continue", "forecast", "would", or the negative of these terms or other similar expressions. The forward-looking statements in this Quarterly Report on Form 10-Q 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. 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 and the effect of certain economic conditions or events on consumer and small business spending patterns and debt levels;
- risks related to our dependence on having a large and loyal membership;
- the effects of competition in, and regulation of, the retail industry;
- our dependence on vendors to supply us with quality merchandise at the right time and at the right price;
- risks related to our indebtedness;
- changes in laws related to, or the governments administration of, the Supplemental Nutrition Assistance Program or its electronic benefit transfer systems;
- the risks and uncertainties related to the impact of the novel coronavirus (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;
- risks related to climate change and natural disasters;
- our ability to identify and respond effectively to consumer trends, including our ability to successfully maintain a relevant omnichannel experience for our members;
- risks related to cybersecurity, which may be heightened due to our e-commerce business, including our ability to protect the privacy of member or business information and the security of payment card information;
- our ability to attract and retain a qualified management team and other team members;
- our ability to implement our growth strategy by opening new clubs and gasoline stations; and
- the other risk factors identified in our filings with the Securities and Exchange Commission, including in particular those set forth under "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended January 29, 2022 (the "Annual Report on Form 10-K for the fiscal year 2021") and this Quarterly Report on Form 10-Q.

Given these uncertainties, you should not place undue reliance on any forward-looking statements. Except as required by applicable law, we assume no obligation to update these forward-looking statements, even if new information becomes available in the future, and you should not rely upon these forward-looking statements after the date of this Quarterly Report on Form 10-Q.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis is intended to promote understanding of the results of operations and financial condition of the Company and is provided as a supplement to, and should be read in conjunction with, our condensed consolidated financial statements and related notes thereto included elsewhere in this Quarterly Report on Form 10-Q, as well as the audited consolidated financial statements and the related notes thereto in our Annual Report on Form 10-K for the fiscal year 2021. The following discussion may contain forward-looking statements that reflect our plans, estimates and assumptions. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause such differences are discussed in the sections of this Quarterly Report on Form 10-Q titled "Forward-Looking Statements" and in Part I. "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the fiscal year 2021.

We report on the basis of a 52- or 53-week fiscal year, which ends on the Saturday closest to the last day of January. Accordingly, references herein to "fiscal year 2022" relate to the 52 weeks ending January 28, 2023, and references herein to "fiscal year 2021" relate to the 52 weeks ended January 29, 2022. The first quarter of fiscal year 2022 ended on April 30, 2022, and the first quarter of fiscal year 2021 ended on May 1, 2021, and both include thirteen weeks.

Overview

BJ's Wholesale Club is a leading warehouse club operator concentrated primarily on the east coast of the United States. We deliver significant value to our members, consistently offering 25% or more savings on a representative basket of manufacturer-branded groceries compared to traditional supermarket competitors. We provide a curated assortment focused on perishable products, continuously refreshed general merchandise, gasoline and other ancillary services to deliver a differentiated shopping experience that is further enhanced by our omnichannel capabilities.

Since pioneering the warehouse club model in New England in 1984, we have grown our footprint to 229 warehouse clubs spanning 17 states. Two of these clubs opened after April 30, 2022. In our core New England markets, which have high population density and generate a disproportionate part of U.S. gross domestic product, we operate almost three times the number of clubs compared to the next largest warehouse club competitor. In addition to shopping in our clubs, members are able to shop when and how they want through our website, www.bjs.com, and our highly rated mobile app, which allows them to use our buy-online-pickup-in-club ("BOPIC") service, curbside delivery, same day home delivery or traditional ship-to-home service, as well as through the DoorDash marketplace where members receive preferential pricing by linking their membership. We also launched Same-Day Select in the first quarter of fiscal year 2022, which offers BJ's members the ability to pay a one-time fee for either unlimited or twelve same-day grocery deliveries over a one-year period.

Our goal is to offer our members significant value and a meaningful return in savings on their annual membership fee. As of the end of the first quarter of fiscal year 2022, we had approximately 6.5 million members paying annual fees to gain access to savings on groceries, consumables, general merchandise, services and gasoline. The annual membership fee for our Inner Circle® membership is $55 and the annual membership fee for our BJ's Perks Rewards® membership, which offers additional value-enhancing features, is $110. We believe that members can save over ten times the price of their $55 Inner Circle membership fee versus what they would otherwise pay at traditional supermarket competitors when they spend $2,500 or more per year at BJ's on manufacturer-branded groceries. In addition to providing significant savings on a representative basket of manufacturer-branded groceries, we accept all manufacturer coupons and also carry our own exclusive brands that enable members to save on price without compromising on quality. Our two private label brands, Wellsley Farms® and Berkley Jensen®, represented over $3.0 billion in annual sales for fiscal year 2021 and are the largest brands we sell. Our customers recognize the relevance of our value proposition across economic environments, as demonstrated by over 20 consecutive years of membership fee income growth. Our membership fee income was $371.2 million for the trailing twelve-months ended April 30, 2022.

On May 2, 2022, we closed the previously announced acquisition of the assets and operations of four distribution centers and the related private transportation fleet from Burris Logistics, which brings our end-to-end perishable supply chain in-house.

Our business is moderately seasonal in nature. Historically, our business has realized a slightly higher portion of net sales, operating income and cash flows from operations in the second and fourth fiscal quarters, attributable primarily to the impact of the summer and year-end holiday season, respectively. Our quarterly results have been, and will continue to be, affected by the timing of new club openings and their associated pre-opening expenses. As a result of these factors, our financial results for any single quarter or for periods of less than a year are not necessarily indicative of the results that may be achieved for a full fiscal year.

Impact of the COVID-19 Pandemic

As the impact of the COVID-19 pandemic has evolved, we have continued to experience sales at a higher rate as compared to the comparable pre-pandemic period, although the demand has moderated for certain products. However, we have continued to face several operational challenges directly or indirectly related to the pandemic, including supply chain constraints, inflation, and wage inflation. The COVID-19 pandemic is unprecedented and demand may continue to change in the future if consumer purchasing behavior changes as the COVID-19 pandemic continues to evolve, and the long-term impacts to our financial condition and results of operations are still uncertain.

The COVID-19 pandemic may impact many of the factors discussed in this section, including, among others, overall economic trends, consumer preferences and demand, product mix, quarterly fluctuations, sourcing and labor shortages, which in turn could adversely affect our business, financial condition and results of operations.

Factors Affecting Our Business

Gasoline prices

The market price of gasoline impacts our net sales and comparable club sales, and large fluctuations in the price of gasoline may produce a short-term impact on our margins. Retail gasoline prices are driven by daily crude oil and wholesale commodity market changes and are volatile, as they are influenced by factors that include changes in demand and supply of oil and refined products, global geopolitical events, regional market conditions and supply interruptions caused by severe weather conditions. Typically, the change in crude oil prices impacts the purchase price of wholesale petroleum fuel products, which in turn impacts retail gasoline prices at the pump. During times when prices are particularly volatile, differences in pricing and procurement strategies between the Company and its competitors may lead to temporary margin contraction or expansion, depending on whether prices are rising or falling, and this impact could affect our overall results for a fiscal quarter.

In addition, the relative level of gasoline prices from period to period may lead to differences in our net sales between those periods. Further, because we generally attempt to maintain a fairly stable gross profit per gallon, this variance in net sales, which may be substantial, may or may not have a significant impact on our operating income.

Inflation and deflation trends

Our financial results can be directly impacted by substantial increases in product costs due to commodity cost increases or general inflation, which could lead to a reduction in our sales or units sold, as well as greater margin pressure, as increased costs for goods may not always be able to be passed on to consumers. We continue to see increased commodity prices and general inflation, which have impacted several categories of our business. Events such as the COVID-19 pandemic have resulted in market disruptions, supply chain disruptions and inflationary pressures. In response to increasing commodity prices or general inflation, we seek to minimize the impact of such events by sourcing our merchandise from different vendors, changing our product mix or increasing our pricing when necessary.

Overall economic trends

The overall economic environment and related changes in consumer behavior have a significant impact on our business. In general, positive conditions in the broader economy promote customer spending in our clubs, while economic weakness, which generally results in a reduction of customer spending, may have a different or more extreme effect on spending at our clubs. Macroeconomic factors that can affect customer spending patterns, and thereby our results of operations, include employment rates, changes to the Supplemental Nutrition Assistance Program (SNAP), government stimulus programs, tax legislation, business conditions, changes in the housing market, the availability of credit, interest rates, tax rates and fuel and energy costs. In addition, unemployment rates and benefits may cause us to experience higher labor costs.

Size and loyalty of membership base

The membership model is a critical element of our business. Members drive our results of operations through their membership fee income and their purchases. The majority of members renew within six months following their renewal date. Therefore, our renewal rate is a trailing calculation that captures renewals during the period seven to eighteen months prior to the reporting date. We have grown our membership fee income each year for the past two decades and the quality of our membership mix continues to improve as evidenced by higher tier penetration growth in the first quarter of fiscal year 2022. Our membership renewal rate, a key indicator of membership engagement, satisfaction and loyalty, was 89% at the end of fiscal year 2021.

Effective sourcing and distribution of products and consumer demands

Our net sales and gross profit are affected by our ability to purchase our products in sufficient quantities at competitive prices. Recently, we have experienced challenges related to the global supply chain, which we expect to continue for the foreseeable future. Further, our ability to maintain our appeal to existing customers and attract new customers primarily depends on our ability to originate, develop and offer a compelling product assortment responsive to customer preferences. As a result, our level of net sales could be adversely affected due to continuing constraints in our supply chain, including our inability to procure and stock sufficient quantities of some merchandise in a manner that is able to match market demand from our customers.

Infrastructure investment

Our historical operating results reflect the impact of our ongoing investments to support our growth. We have made significant investments in our business that we believe have laid the foundation for continued profitable growth. We believe that strengthening our management team, expanding our club footprint, bringing our end-to-end supply chain in-house by acquiring the assets and operations of four distribution centers and the related private transportation fleet from Burris Logistics, LLC, and enhancing our information systems, including our distribution center management system, and investing in hardware and digitally enabled shopping capabilities for convenience, such as BOPIC, curbside pickup, and same day home delivery will enable us to replicate our profitable club format and provide a differentiated shopping experience. We expect these infrastructure investments to support our successful operating model across our club operations.

Non-GAAP Financial Measures

The accompanying Condensed Consolidated Financial Statements, including the related notes, are presented in accordance GAAP. In addition to relevant GAAP measures we also provide non-GAAP measures, including adjusted EBITDA, comparable club sales, free cash flow, adjusted net income and adjusted net income per diluted share because management believes these metrics are useful to investors and analysts by excluding items that we do not believe are indicative of our core operating performance. These measures are customary for our industry and commonly used by competitors. These non-GAAP financial measures should not be reviewed in isolation or considered as an alternative to any other performance measure derived in accordance with GAAP and should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. In addition, adjusted EBITDA, comparable club sales, free cash flow, adjusted net income and adjusted net income per diluted share may not be comparable to similarly titled measures used by other companies in our industry or across different industries.

Adjusted EBITDA

Adjusted EBITDA is defined as income from continuing operations before interest expense, net, provision for income taxes and depreciation and amortization, adjusted for the impact of certain other items, including stock-based compensation expense; pre-opening expenses; non-cash rent; strategic consulting; offering costs; club closing and impairment charges; reduction in force severance; acquisition and integration costs; and other adjustments.

The following is a reconciliation of our income from continuing operations to Adjusted EBITDA and Adjusted EBITDA as a percentage of net sales for the periods presented:

	Thirteen Weeks Ended	
	April 30, 2022	May 1, 2021
(in thousands)		
Income from continuing operations	$ 112,457	$ 81,586
Interest expense, net	7,841	19,285
Provision for income taxes	30,019	25,383
Depreciation and amortization	47,109	44,386
Stock-based compensation expense	9,115	27,300
Pre-opening expenses (a)	4,900	561
Non-cash rent (b)	846	1,417
Acquisition and integration costs (c)	7,879	—
Severance (d)	—	2,300
Other adjustments (e)	635	192
Adjusted EBITDA	$ 220,801	$ 202,410
Adjusted EBITDA as a percentage of net sales	5.0 %	5.4 %

(a) Represents direct incremental costs of opening or relocating a facility that are charged to operations as incurred.
(b) Represents an adjustment to remove the non-cash portion of rent expense.
(c) Represents costs related to the acquisition and integration of assets from Burris Logistics, including due diligence, legal, and other consulting expenses.
(d) Represents severance charges associated with labor reductions that resulted from the realignment of our field operations.
(e) Other non-cash items, including non-cash accretion on asset retirement obligations, obligations associated with our post-retirement medical plan and incremental rent expense as the Company transitions from the current home office to a new home office building in fiscal year 2022.

Comparable Club Sales and Merchandise Comparable Club Sales

Comparable club sales, also known as same-store sales, includes all clubs that were open for at least 13 months at the beginning of the period and were in operation during the entirety of both periods being compared, including relocated clubs and expansions.

Comparable club sales allow us to evaluate how our club base is performing by measuring the change in period-over-period net sales in clubs that have been open for the applicable period. Various factors affect comparable club sales, including consumer preferences and trends, product sourcing, promotional offerings and pricing, customer experience and purchase amounts, weather and holiday shopping period timing and length.

Merchandise comparable club sales represents comparable club sales from all merchandise other than our gasoline operations for the applicable period. Refer to "Results of Operations" below for further discussion of comparable club sales and merchandise comparable club sales.

Free Cash Flow

We present free cash flow, which is not a recognized financial measure under GAAP, as we believe it assists investors and analysts in evaluating our liquidity. Free cash flow should not be considered as an alternative to cash flows from operations as a liquidity measure. We define free cash flow as net cash provided by operating activities less additions to property and equipment, net of disposals, plus proceeds from sale leaseback transactions.

The following is a reconciliation of our net cash provided by operating activities to free cash flow for the periods presented:

(in thousands)	Thirteen Weeks Ended April 30, 2022	Thirteen Weeks Ended May 1, 2021
Net cash provided by operating activities	$ 44,308	$ 248,965
Less: Additions to property and equipment, net of disposals	90,533	74,690
Plus: Proceeds from sale leaseback transactions	—	16,630
Free cash flow	$ (46,225)	$ 190,905

Free cash flow declined year-over-year as a result of cash outflows for higher working capital, specifically inventory as we pulled forward purchases in response to the challenging supply chain and inflationary pressures, in addition to the timing of capital expenditures as we continue to expand our footprint.

Adjusted Net Income

The adjusted net income and adjusted net income per diluted share metrics are important measures used by management to compare the performance of core operating results between periods. We define adjusted net income as net income as reported adjusted for: stock-based compensation related to acceleration of stock awards; acquisition and integration costs; incremental home office expenses; loss on cash flow hedge; expenses related to debt payments; severance charges; offering costs; gains on sale leaseback transactions; club closing and impairment charges; and the tax impact of the foregoing adjustments on net income. We define adjusted net income per diluted share as adjusted net income divided by the weighted-average diluted shares outstanding.

We believe adjusted net income and adjusted net income per diluted share are useful metrics to investors and analysts because they present more accurate year-over-year comparisons for our net income and net income per diluted share because adjusted items are not the result of our normal operations.

(in thousands)	Thirteen Weeks Ended April 30, 2022	Thirteen Weeks Ended May 1, 2021
Net income as reported	$ 112,450	$ 81,579
Adjustments:		
Stock-based compensation related to acceleration of stock awards [a]	—	17,494
Acquisition and integration costs [b]	7,879	—
Incremental home office expense [c]	599	—
(Gain) loss on cash flow hedge [d]	(165)	4,709
Charges related to debt payments [e]	—	657
Severance [f]	—	2,300
Tax impact of adjustments to net income [g]	(2,337)	(7,045)
Adjusted net income	$ 118,426	$ 99,694

(a) Represents accelerated vesting of equity awards, which were related to the passing of a former executive.
(b) Represents costs related to the acquisition and integration of assets from Burris Logistics, including due diligence, legal, and other consulting expenses.
(c) Represents incremental rent expense as the Company transitions from the current home office to a new home office building in fiscal year 2022.
(d) Represents the reclassification into earnings of accumulated other comprehensive income associated with the de-designation of hedge accounting.
(e) Represents the expensing of fees and deferred fees and original issue discount associated with the partial prepayment of debt.
(f) Represents severance charges associated with labor reductions that resulted from the realignment of our field operations.
(g) Represents the tax effect of the above adjustments at a statutory tax rate of approximately 28%.
(h) Adjusted net income per diluted share is measured using weighted average diluted shares outstanding.

Results of Operations

The following table summarizes key components of our results of operations for the periods indicated:

Statement of Operations Data **(dollars in thousands)**	**Thirteen Weeks Ended April 30, 2022**	**Thirteen Weeks Ended May 1, 2021**
Net sales	$ 4,399,810	$ 3,781,834
Membership fee income	96,625	86,388
Total revenues	4,496,435	3,868,222
Cost of sales	3,705,838	3,141,497
Selling, general and administrative expenses	635,380	599,910
Pre-opening expenses	4,900	561
Operating income	150,317	126,254
Interest expense, net	7,841	19,285
Income from continuing operations before income taxes	142,476	106,969
Provision for income taxes	30,019	25,383
Income from continuing operations	112,457	81,586
Loss from discontinued operations, net of income taxes	(7)	(7)
Net income	$ 112,450	$ 81,579
Operational Data:		
Total clubs at end of period	227	221
Comparable club sales	14.4%	0.3%
Merchandise comparable club sales	4.1%	(5.0)%
Adjusted EBITDA	$ 220,801	$ 202,410
Free cash flow	(46,225)	190,905

Thirteen Weeks Ended April 30, 2022 (First Quarter of Fiscal Year 2022) Compared to Thirteen Weeks Ended May 1, 2021 (First Quarter of Fiscal Year 2021)

Net Sales

Net sales are derived from direct retail sales to customers in our clubs and online, net of merchandise returns and discounts. Growth in net sales is impacted by opening new clubs and increases in comparable club sales. Net sales for the first quarter of fiscal year 2022 were $4,399.8 million, a 16.3% increase from net sales reported for the first quarter of fiscal year 2021 of $3,781.8 million. The increase was due primarily to a 14.4% increase in comparable club sales.

Comparable club sales

We believe net sales is an important driver of our profitability, particularly comparable club sales. Comparable sales growth is a function of increasing shopping frequency from new and existing members and the amount they spend on each visit. Sales comparisons can be influenced by certain factors that are beyond our control such as changes in the cost of gasoline and macro-economic factors such as inflation. The higher comparable club sales, the more we can leverage certain of our selling, general and administrative (SG&A) expenses, reducing them as a percentage of sales and enhancing profitability.

	Thirteen Weeks Ended April 30, 2022
Comparable club sales	14.4 %
Less: contribution from gasoline sales	10.3 %
Merchandise comparable club sales	4.1 %

Merchandise comparable club sales increased by 4.1% in the first quarter of fiscal year 2022 driven by an increase in sales of groceries of 7.0% offset by a decrease in sales of general merchandise and services of approximately 10.3%. In grocery, sales increased as demand for beverages, candy, active nutrition, fresh meat, dairy and bakery categories increased compared to the first quarter of fiscal year 2021. General merchandise realized headwinds in consumer electronics and seasonal categories as discretionary spend normalized and the Northeast markets experienced unseasonable weather.

Membership fee income

We continue to see growth in the size and quality of our membership base. Membership fee income was $96.6 million in the first quarter of fiscal year 2022 compared to $86.4 million in the first quarter of fiscal year 2021, an 11.9% increase. The increase was primarily driven by membership renewals, new members and increased penetration of higher-tier membership levels, evidencing the strength of our membership quality.

Cost of sales

Cost of sales consists primarily of the direct cost of merchandise and gasoline sold at our clubs, including costs associated with operating our distribution centers, including payroll, payroll benefits, occupancy costs and depreciation; freight expenses associated with moving merchandise from vendors to our distribution centers and from distribution centers to our clubs, and vendor allowances, rebates and cash discounts. We continue to experience inflation across most categories and have invested in certain categories to preserve our member value proposition.

Cost of sales was $3,705.8 million, or 84.2% of net sales, in the first quarter of fiscal year 2022 compared to $3,141.5 million, or 83.1% of net sales, in the first quarter of fiscal year 2021. Merchandise gross margin rate, which excludes gasoline sales and membership fee income, decreased 30 basis points over the first quarter of fiscal year 2021. Merchandise margins were impacted by increased freight costs and tactical investments in inflationary categories.

Selling, general and administrative expenses

SG&A consists of various expenses related to supporting and facilitating the sale of merchandise in our clubs, including the following: payroll and payroll benefits for team members; rent, depreciation and other occupancy costs for retail and corporate locations; advertising expenses; tender costs, including credit and debit card fees; amortization of intangible assets; and consulting, legal, insurance, acquisition and integration costs, and other professional services expenses.

SG&A includes both fixed and variable components and, therefore, is not directly correlated with net sales. We expect that our SG&A will increase in future periods due to investments to spur comparable club sales growth and our expanding footprint as we open new clubs. In addition, any future increases in wages, stock options or other stock-based grants or modifications will increase our SG&A expenses.

SG&A increased by 5.9% to $635.4 million in the first quarter of fiscal year 2022 from $599.9 million in the first quarter of fiscal year 2021. The year-over-year increase in SG&A was primarily driven by increased labor costs as a result of last year's wage investments, occupancy costs as a result of new club openings, and acquisition and integration expenses related to the acquisition of assets from Burris Logistics, which closed on May 2, 2022.

Pre-opening expenses

Pre-opening expenses include startup costs for new clubs and expenses will vary based on the number of new club openings, geography of the club, whether the club is owned or leased, and timing of the opening relative to our period end.

Pre-opening expenses were $4.9 million in the first quarter of fiscal year 2022 compared to $0.6 million in the first quarter of fiscal year 2021. Pre-opening expenses increased due to timing of spend for club and gas station openings year-over-year.

Interest expense

Interest expense was $7.8 million in the first quarter of fiscal year 2022 compared to $19.3 million in the first quarter of fiscal year 2021. The decrease is due to lower debt balances outstanding.

Provision for income taxes

The Company's effective income tax rate from continuing operations was 21.1% and 23.7% for the first quarter of fiscal year 2022 and first quarter of fiscal year 2021, respectively. The decrease in the effective tax rate for the first quarter of fiscal year 2022, compared to the first quarter of fiscal year 2021 is due primarily to higher excess tax benefits from stock-based compensation in the current year period.

Liquidity and Capital Resources

Our primary sources of liquidity are cash flows generated from club operations and borrowings from our ABL Facility. As of April 30, 2022, cash and cash equivalents totaled $38.0 million and we had $859.1 million of unused capacity under our ABL Facility. Our principal liquidity needs for the next twelve months and beyond are to fund normal recurring operational expenses and anticipated capital expenditures; fund share repurchases and meet debt service and principal repayment obligations. We believe that our current resources, together with anticipated cash flows from operations and borrowing capacity under our ABL Facility, will be sufficient to finance our operations for at least the next twelve months.

In the first quarter of fiscal year 2022, we used $35.8 million of available cash to repurchase 570,506 shares under the 2021 Repurchase Program. Subsequent to April 30, 2022, we closed the previously announced acquisition of assets from Burris Logistics, which was funded with a combination of available cash and borrowings under our ABL Facility.

We do not have any off-balance sheet arrangements that have, or are, in the opinion of management, reasonably likely to have, a current or future material effect on our results of operations or financial position. We do, however, enter into letters of credit and purchase obligations in the normal course of our operations.

Summary of Cash Flows

A summary of our cash flows from operating, investing and financing activities is presented in the following table:

	Thirteen Weeks Ended	
	April 30, 2022	May 1, 2021
(in thousands)		
Net cash provided by operating activities	$ 44,308	$ 248,965
Net cash used in investing activities	(90,533)	(58,060)
Net cash provided by (used in) financing activities	38,741	(171,469)
Net increase (decrease) in cash and cash equivalents	$ (7,484)	$ 19,436

Net Cash from Operating Activities

Net cash provided by operating activities was $44.3 million for the first quarter of fiscal year 2022 compared to $249.0 million for the first quarter of fiscal year 2021. The decrease in operating cash flow was primarily due to cash outflows for inventory purchases related to merchandise rebuilding and higher procurement costs as well as changes to incentive compensation and other accruals compared to the prior year.

Net Cash from Investing Activities

Cash used for capital expenditures was $90.5 million for the first quarter of fiscal year 2022, compared to $58.1 million for the first quarter of fiscal year 2021. The increase is primarily due to the timing, volume and cost of property, plant and equipment additions as we continue to expand our footprint.

Net Cash from Financing Activities

Net cash provided by financing activities for the first quarter of fiscal year 2022 was $38.7 million compared to net cash used in financing activities of $171.5 million for the first quarter of fiscal year 2021. The change is due primarily to the draw down of debt on the ABL Facility, offset by higher share repurchases in the first quarter of fiscal year 2022 as compared to debt payments and lower share repurchases in the first quarter of fiscal year 2021.

Debt and Borrowing Capacity

On April 30, 2021, the Company used $150.0 million of cash and cash equivalents to pay $100.0 million of the principal amount outstanding on the First Lien Term Loan and $50.0 million of the principal amount outstanding on the ABL Facility. In connection with the payment, the Company expensed $0.7 million of previously capitalized debt issuance costs and original issue discount.

At April 30, 2022, there was $130.0 million outstanding in loans under the ABL Facility and $10.9 million in outstanding letters of credit. The interest rate on the revolving credit facility was 1.89%, the interest rate on the term loan was 2.45%, and unused capacity was $859.1 million.

At April 30, 2022, the interest rate for the First Lien Term Loan was 2.52% and there was $701.9 million outstanding. See Note 4, "Debt and Credit Arrangements" of our condensed consolidated financial statements included in this Quarterly Report on Form 10-Q for additional information.

Material Cash Commitments

Our material cash commitments consist primarily of debt obligations, interest payments, leases and purchase orders for merchandise inventory. These material cash commitments impact our short-term and long-term liquidity and capital needs. As of April 30, 2022, other than those items related to the ordinary course of operations of our business such as inventory purchases, new leases and lease amendments, there were no material changes to our material cash commitments from those described in our Annual Report on Form 10-K for the fiscal year 2021.

Critical Accounting Policies and Use of Estimates

This discussion and analysis of our financial condition and results of operations is based on our condensed consolidated financial statements, which we have prepared in accordance with GAAP. The preparation of our financial statements and related disclosures requires us to make estimates, assumptions and judgments that affect the reported amount of assets, liabilities, revenue, costs and expenses, and related disclosures. Our critical accounting policies are described under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations— Critical Accounting Policies and Estimates" in our Annual Report on Form 10-K for the fiscal year 2021.

Recent Accounting Pronouncements

There have been no recent accounting pronouncements since those disclosed in our Annual Report on Form 10-K for the fiscal year 2021.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are exposed to changes in market interest rates and these changes in rates will impact our net interest expense and our cash flow from operations. Substantially all of our borrowings carry variable interest rates. There have been no material changes in our market risk from the disclosure included in Part II. "Item 7A. Quantitative and Qualitative Disclosures of Market Risk" in the Annual Report on Form 10-K for the fiscal year 2021.

Item 4. Controls and Procedures.

Limitations on Effectiveness of Controls and Procedures

In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated, as of the end of the period covered by this Quarterly Report on Form 10-Q, the effectiveness of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of April 30, 2022.

Changes in Internal Control

There were no changes in our internal control over financial reporting identified in management's evaluation pursuant to Rules 13a-15 or 15d-15 of the Exchange Act during the most recently completed fiscal quarter that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

We are subject to various litigation, claims and other proceedings that arise from time to time in the ordinary course of business. We believe these actions are routine and incidental to the business. While the outcome of these actions cannot be predicted with certainty, we do not believe that any will have a material adverse impact on our business, financial condition or results of operations.

Item 1A. Risk Factors.

There have been no material changes to the risk factors relating to the Company set forth under the caption "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the fiscal year 2021.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

The following table sets forth information regarding our purchases of shares of our common stock during the first quarter of fiscal year 2022.

Period	Total Number of Shares Purchased [(a)]	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs [(b)]
January 30, 2022 to February 26, 2022	203,985	$62.58	203,400	$458,477,484
February 27, 2022 to April 2, 2022	546,321	$62.38	317,006	$438,817,275
April 3, 2022 to April 30, 2022	50,100	$68.58	50,100	$435,394,960
Total	800,406	$64.13	570,506	

(a) Includes 585 shares of common stock for the period January 30, 2022 to February 26, 2022 and 229,315 shares of common stock for the period February 27, 2022 to April 2, 2022 surrendered to the Company by employees to satisfy their tax withholding obligations in connection with the vesting of restricted stock awards. See Note 7 "Treasury Shares and Share Repurchase Programs" in the Notes to Unaudited Condensed Consolidated Financial Statements included in this report.

(b) On November 16, 2021, the Company's board of directors approved a new share repurchase program (the "2021 Repurchase Program"), effective immediately, that allows the Company to repurchase up to $500.0 million of its outstanding common stock. The 2021 Repurchase Program expires in January 2025.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable

Item 5. Other Information.

None.

Item 6. Exhibits.

Exhibit Number	Exhibit Description
31.1	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
31.2	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
32.1	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).
32.2	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).
101.INS	Inline XBRL Instance Document (filed herewith)
101.SCH	Inline XBRL Taxonomy Extension Schema Document (filed herewith)
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document (filed herewith)
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document (filed herewith)
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document (filed herewith)
101.PRE	Inline XBRL Taxonomy Extension Linkbase Document (filed herewith)
104	Cover Page Interactive Data File (formatted as inline XBRL with applicable taxonomy extension information contained in Exhibits 101.*) (filed herewith)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BJ'S WHOLESALE CLUB HOLDINGS, INC.

Date: May 27, 2022	By:	/s/ Laura L. Felice
		Laura L. Felice
		Executive Vice President, Chief Financial Officer (Principal Financial Officer and Authorized Signatory)

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Robert W. Eddy, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of BJ's Wholesale Club Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 27, 2022

By: /s/ Robert W. Eddy

Robert W. Eddy
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Laura L. Felice, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of BJ's Wholesale Club Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 27, 2022

By: /s/ Laura L. Felice

Laura L. Felice
Executive Vice President, Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of BJ’s Wholesale Club Holdings, Inc. (the “Company”), hereby certifies, to his knowledge, that:

1. The Company’s Quarterly Report on Form 10-Q for the fiscal quarter ended April 30, 2022 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 27, 2022

By: /s/ Robert W. Eddy
Robert W. Eddy
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of BJ’s Wholesale Club Holdings, Inc. (the “Company”), hereby certifies, to her knowledge, that:

1. The Company’s Quarterly Report on Form 10-Q for the fiscal quarter ended April 30, 2022 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 27, 2022

By: /s/ Laura L. Felice
Laura L. Felice
Executive Vice President, Chief Financial Officer
(Principal Financial Officer)