Ticker: BJ	Intrinsic Value: $99.63	TTM P/E: 22.88	Market Cap: $12B
Sector: Consumer Defensive	Current Price: $90.21	Forward P/E: 19.92	Dividend: --
Industry: Discount Stores	Stop Loss: $75.00	Beta: 0.24	52-week Range: 63.08-92.37

BJ's Wholesale Club Holdings, Inc

Business Summary:

An operator of almost 250 membership warehouse clubs concentrated primarily on the eastern half of the United States.

The company offers savings on manufacturer-branded groceries compared to traditional supermarket competitors as well as investing in their own private label brands.

Industry Trends:

The U.S. warehouse club market has grown considerably as consumer preferences shift to a more all-inclusive shopping experience. They have shown resilience through economic downturns base and an upward growth trajectory.

Investment Thesis:

BJ's membership growth, new store openings, advancement of online warehouse retail, and unique positioning display an upward opportunity for BJ's growth, but mostly fall under a value investment due to their staple products.

Competitive Analysis:

The club warehouse space is a highly competitive industry with low margins, but BJ's has shown they are able to grow their top line and margins.

Pros:

Intrinsic Valuation shows the current price is slightly undervalued.

Market trends and growth indicate a need to have some stake in this industry.

Comparative analysis identifies opportunities for operational and marketing growth with a low price to earnings comparatively.

Risk Factors:

Intense competition in this market could result in loss of market share or growth

Changing consumer preferences could lead to desires for different types of shopping experiences

Varying debt obligations with their store ownership could lead to difficulties to pay during interest rate hikes

ESG – Total ESG Risk Score: 30.0 – Medium

Five Year Historic Stock Performance

Implied Equity Value & Share Price		
Free Cash Flow at Year 10		1,124
WACC		8.2%
Perpetuity Growth Rate		3.5%
Perpetuity Value at End of Year 10		25,021
Present Value of Perpetuity (@ 8.2% WACC)		11,430
(+) Present Value of Free Cash Flows (@ 8.2% WACC)		4,702
(=) Current Enterprise Value		**16,132**
Short Term Debt		473
(+) Long Term Debt		2,449
(-) Cash and Marketable Securities	50%	18
(-) Current Net Debt		2,904
(-) Current Preferred and Minority Interest		-
(=) Equity Value		13,228
Shares outstanding		133
Estimated Value per Share (USD)		**99.63**
Current Price (USD)		90.21
Estimated Upside		**10.4%**

Company Name	Market Cap	Total Revenue	Forward P/E	Gross Margin	Net Income Margin	Revenue Growth 1 Yr	Same Store Sales Growth	Total Debt/EBITDA
Costco Wholesale Corp.	398,282	254,453	53.79x	12.6%	2.9%	5.0%	6.0%	0.8x
Walmart Inc.	660,660	169,330	30.06x	24.4%	2.4%	6.0%	8.2%	1.4x
BJ's Wholesale Club	11,435	19,968	19.92x	18.2%	2.6%	5.2%	1.7%	1.8x