



**Annual Meeting of Shareholders  
January 19, 2023**



# Board Members



# Hamilton E. James



**Joined the Board in 1988;  
Chairman of the Board since 2017**

**Former Executive Vice Chairman and  
President / Chief Operating Officer of The  
Blackstone Group**



# Susan L. Decker



**Joined the Board in 2004**

**CEO and Founder of Raft**

**Formerly President and CFO of Yahoo**

**Director of Berkshire Hathaway Inc., Vail Resorts, Inc., and Momentive Global Inc.**





# Kenneth D. Denman



**Joined the Board in 2017**

**General Partner at Sway Ventures**

**Formerly President and CEO of  
Emotient, Inc.**

**Director of Motorola Solutions, Inc. and  
VMware, Inc.**



# Richard A. Galanti



**Joined the Board in 1995**

**Executive Vice President and Chief  
Financial Officer**

**Former Director of the Federal  
Reserve Bank of San Francisco**



# Craig Jelinek



**Joined the Board in 2010**

**CEO since 2012**



# Sally Jewell



**Joined the Board in 2020**

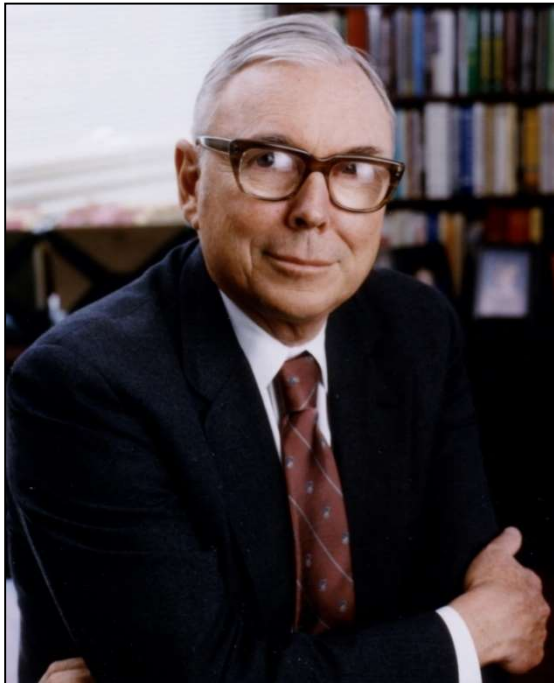
**Secretary of the Interior under President Barack Obama**

**Former Chief Executive Officer and Director of Recreational Equipment, Inc.**

**Director of Symetra Financial Corporation**



# Charles T. Munger



Joined the Board in 1997

Vice Chairman of the Board of Berkshire Hathaway Inc.

Director of Daily Journal Corporation



# Jeffrey S. Raikes



**Joined the Board in 2008**

**Co-Founder of the Raikes Foundation**

**Former CEO of the Bill & Melinda Gates Foundation**

**Former President of Business Division at Microsoft**



# John W. Stanton



**Joined the Board in 2015**

**Chairman and Managing Partner of the Seattle Mariners**

**Chairman of Trilogy International Partners and Trilogy Equity Partners and Director of Microsoft**

**Founder and Former Chairman and CEO of Western Wireless Corporation**

**Former Chairman and CEO of T-Mobile USA (formerly VoiceStream Wireless Corporation)**





# Ron Vachris



**Joined the Board in 2022**

**President since 2022**





# Mary Agnes (Maggie) Wilderotter



**Joined the Board in 2015**

**Chairman and Chief Executive Officer of  
Grand Reserve Inn**

**Former Chairman and Chief Executive  
Officer of Frontier Communications**

**Chairman of the Board of Directors of  
DocuSign and Director of Lyft and Sana  
Biotechnology**



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# Expansion

## FY 2022 Warehouse Count

|            |     |
|------------|-----|
| Beginning: | 815 |
|------------|-----|

|           |     |
|-----------|-----|
| Openings: | +23 |
|-----------|-----|

|         |     |
|---------|-----|
| Ending: | 838 |
|---------|-----|

---

|        |     |
|--------|-----|
| Today: | 847 |
|--------|-----|

# San Marcos Business Center, CA

3/17/22





An aerial photograph of a Costco Wholesale store located at the Anjou Business Center in Quebec City. The store is a large, single-story building with a white facade and a flat roof. The Costco logo, featuring the word "Costco" in red and "WHOLESALE" in blue, is prominently displayed on the building's exterior. A red banner with white text hangs from the front of the store, and another sign indicates the store is open. The parking lot is vast and filled with numerous cars, mostly dark-colored. Several trees are planted around the perimeter of the parking lot. In the background, other commercial buildings and a residential area are visible under a cloudy sky.

**6/8/22**





**Mibu, Japan**

**6/23/22**





**College Station, TX**

**8/4/22**





**Murrieta, CA**

**8/5/22**





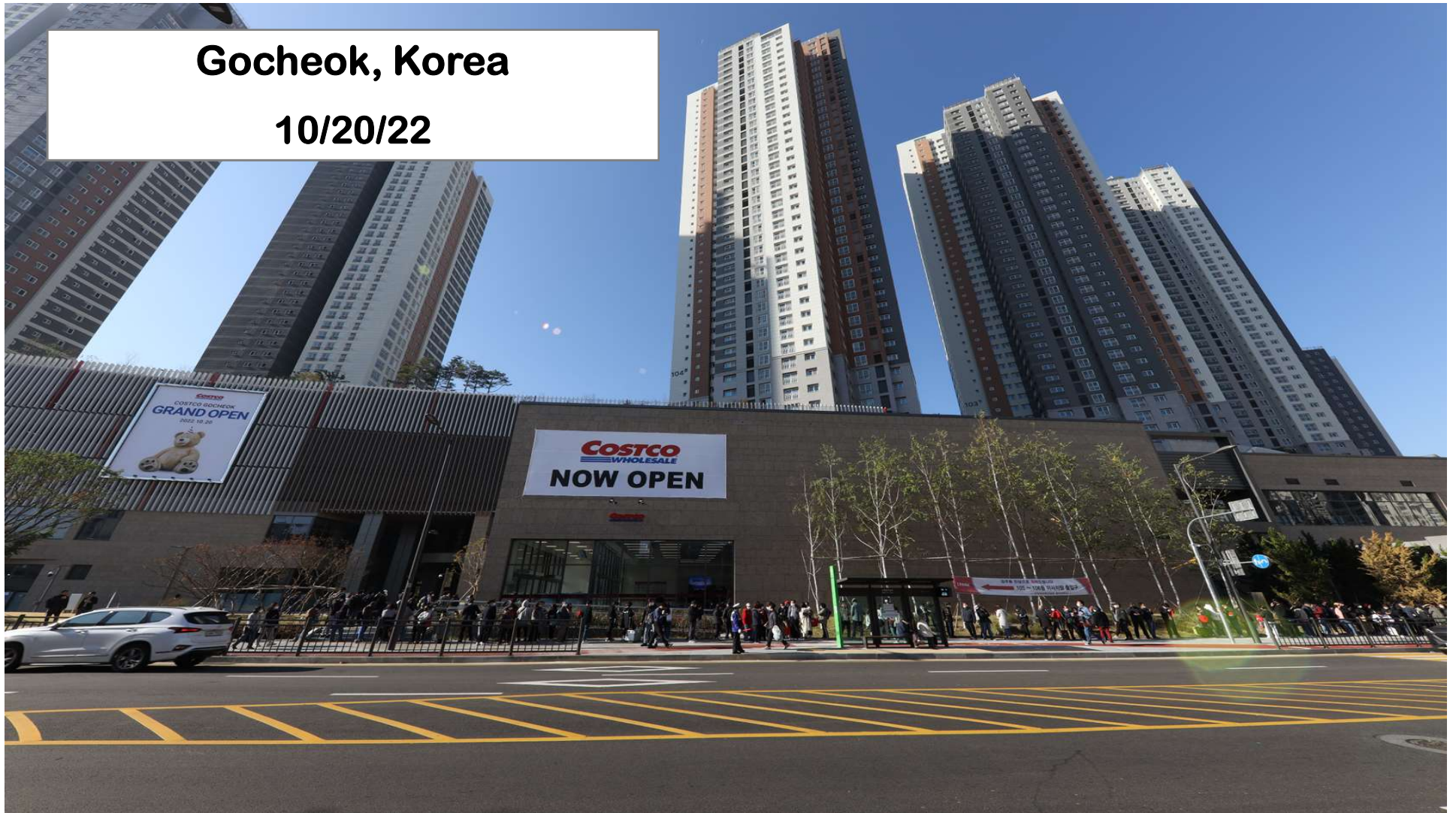
Auckland, New Zealand

9/28/22



**Gocheok, Korea**

**10/20/22**

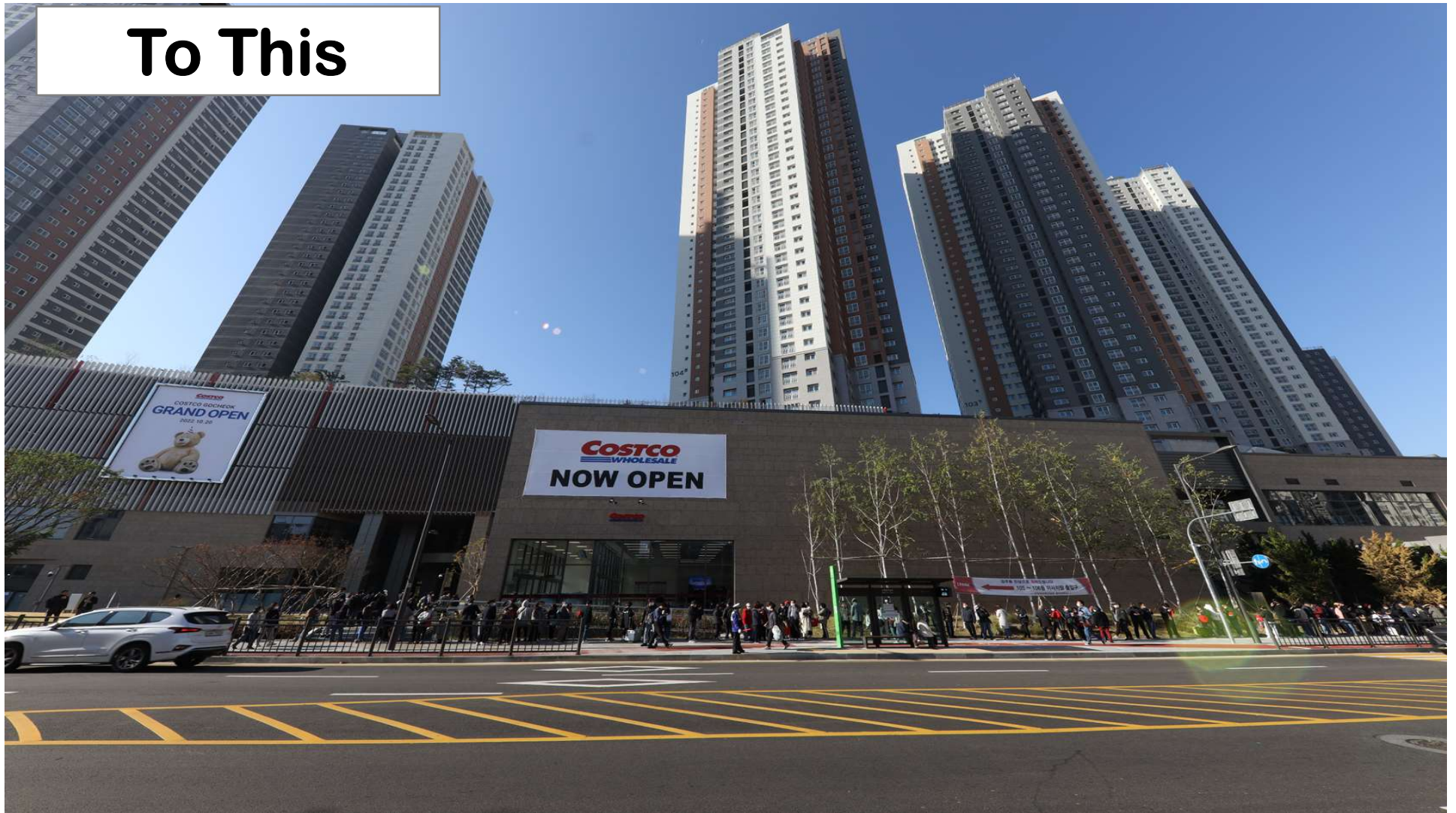




From This



To This





**Stockholm, Sweden**

**10/27/22**





**Lake Stevens, WA**

**12/2/22**





**Casuarina (S. Perth), Australia**

**12/7/22**





## Recent Warehouse Openings

|                         |         |
|-------------------------|---------|
| Riverton, UT            | 5/19/22 |
| North Oshawa, ON        | 6/9/22  |
| St. Augustine, FL       | 8/3/22  |
| Verona (S. Madison), WI | 8/17/22 |
| Gimhae, Korea           | 8/25/22 |





## Recent Warehouse Openings

|                     |          |
|---------------------|----------|
| University City, MO | 10/25/22 |
| Athens, GA          | 11/15/22 |
| Ankeny, IA          | 11/17/22 |
| Logan, UT           | 11/18/22 |



## Costco Today

- 3<sup>rd</sup> largest global retailer
- 11<sup>th</sup> largest in Fortune 500
- \$214 billion market cap\*

\*As of January 6, 2023



## Costco Today

- Sales \$223B – FY'22
- 124MM sq. ft. (146K / whse)
- 304K employees worldwide



# Costco Today

## 847 Warehouses Worldwide

583 - U.S.

14 - Australia

107 - CN

4 - Spain

40 - Mexico

2 - France

31 - Japan

2 - China

29 - UK

1 - Iceland

18 - Korea

1 - New Zealand

14 - Taiwan

1 - Sweden



# Costco Today

(as of November 20, 2022)

- 67MM member households
- 121MM cardholders
- 90.4% worldwide renewal rate
- \$4.3B in membership fees (LTM)



## Fiscal Year

(in MM's except for EPS)

2021

2022

Sales

\$192,052    \$222,730

Net Income

\$5,007    \$5,844

Diluted E.P.S.

\$11.27    \$13.14



# 1<sup>st</sup> Quarter

(in MM's except for EPS)

2022

2023

Sales

\$49,417

\$53,437

Net Income

\$1,324

\$1,364

Diluted E.P.S.

\$2.98

\$3.07



## Comp Traffic (Frequency)

|             |      |
|-------------|------|
| FY'09 – '19 | 4.1% |
| FY'20       | 0.9% |
| FY'21       | 7.0% |
| FY'22       | 7.5% |
| FY'23 – Q1  | 3.9% |



# Electronics



**FY'22 Global TV Sales +5%**

# FY'22 Global Apparel Sales +12%





**500K+ Carats of Diamonds  
Sold Globally in FY'22**

**Jewelry**





# Beer, Wine, and Spirits FY'22 Global Sales +3%





**Produce**

A photograph of a Costco employee, Jeff, working in the produce section. He is a man with brown hair and a beard, wearing a blue and white checkered shirt and a Costco name tag. He is leaning over a display of bananas, which are packaged in clear plastic bags and cardboard boxes. In the background, there are stacks of black crates filled with yellow flowers. The image is overlaid with two text boxes: 'Produce' in the top left and 'FY'22 Global Sales +7%' in the bottom right.

**FY'22 Global Sales +7%**



# Bakery

**FY'22 Global Sales +16%**





## Meat & Seafood

**FY'22 Global Sales +5%**





## Service Deli

**117MM Rotisserie Chickens Sold Globally in FY'22**





# Merchandise Highlights



## New Brands



FLEXSTEEL®



BATH REMODEL



Hydro Flask

DIAMONDBACK  
BICYCLES



Calvin Klein  
Home

SCOTT LIVING™  
BY DREW & JONATHAN



PENDLETON®  
PENDLETON WOOLEN MILLS  
SINCE 1863



IMPOSSIBLE™



Hurley



## Deli Sushi Program



**Nigiri Roll Family Pack**  
40ct  
\$28.99



**Spicy Tuna & Salmon Sushi**  
20ct  
\$19.99



**Crunch Roll Combo**  
20ct  
\$13.99



## Kirkland Signature

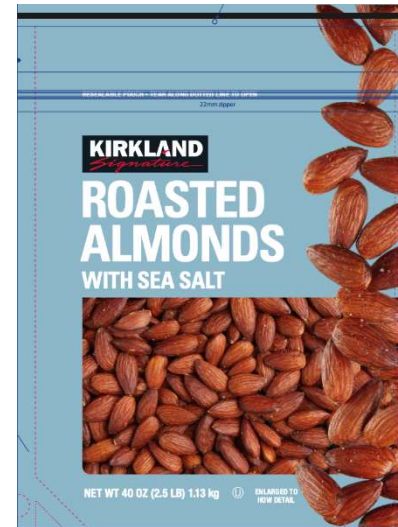


### KS Caramel S'Mores Clusters

Sell: \$9.49

Comp: \$11.99

Savings: 20%



### KS Roasted Almonds

Sell: \$9.99

Comp: \$13.68

Savings: 27%



## Kirkland Signature



### KS Chunks & Gravy Wet Cat Food

Sell: \$26.99  
Comp: \$69.60  
Savings: 61%



### KS Lavender Laundry Scent Beads

Sell: \$9.99  
Comp: \$17.99  
Savings: 44%



## Kirkland Signature



### KS Moscato D' Asti

Sell: \$7.99  
Comp: \$10.99  
Savings: 27%



### KS Reposado Tequila

Sell: \$17.99  
Comp: \$55.99  
Savings: 68%



### KS Organic Margarita Mix - 2 / 1.75L

Sell: \$8.49  
Comp: \$31.49  
Savings: 72%





## Kirkland Signature



**KS Aerosol Light Whip Cream**

Sell: \$5.49

Comp: \$7.93

Savings: 31%



**KS Organic Pine Nut Hummus**

Sell: \$5.99

Comp: \$12.49

Savings: 52%



## Kirkland Signature



### Cherry Cheese Pastry

Sell: \$9.99

Comp: None



### Gyro Kit

Sell: \$6.49/lb

Comp: \$8.38/lb

Savings: 23%





## Kirkland Signature



### KS 5 Burner + Top Sear Burner Grill

Sell: \$899.99

Comp: \$1399.99

Savings: 36%



### BBQ Hardwood Pellets

Sell: \$12.99

Comp: \$24.99

Savings: 48%



Sustainability  
Improvements

# KS Cashew Packaging Progression



## 1995 Kirkland Signature Cashews Rolled Out

One of the first Kirkland Signature items to hit the shelf 130g Weight



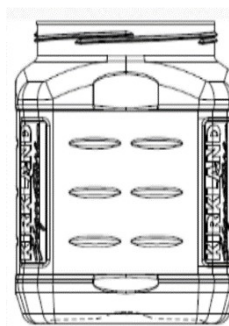
## 2008 Kirkland Signature Jar conversion to square jar

100g Weight 23%  
Reduction in plastic



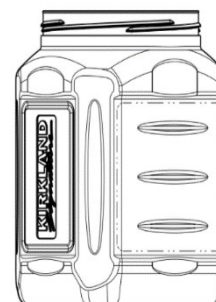
## 2009 New KS Embossed Jar

95g Weight 5% Reduction  
in plastic



## 2022 Reduced Plastic V4

85g Weight 10.5%  
Reduction from current /  
15% Reduction from  
Previous 13K Lbs of  
plastic annual reduction



## 2022 Bag Conversion

85% Reduced Plastic to Jar. Overall  
Plastic reduction all US Cashews and  
Mixed Nut = 6.1MM lb Plastic Reduction  
and \$11.1MM in Member Savings





Sustainability  
Improvements

# Korea Bakery | Plastic Reduction

Annual plastic savings for Bakery = 400K LBS



Plastic Box

New Paper Box + Compostable  
Film





# Global Collaboration



Boba Milk Tea  
From: Taiwan



Shredded Squid  
From: Thailand



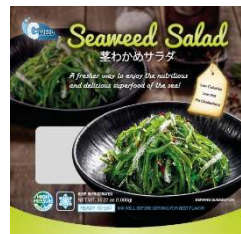
Sea Temple Baked Scallop  
From: Japan



Hanwoomul shrimp Fried Rice  
From: Korea



Nuchar Cooked  
Octopus Tentacles  
From: Spain



Seaweed Salad 35.3oz  
From: Korea



LXZ Chicken Essence 30pk  
From: Taiwan



Taiyaki Variety 30ct  
From: South Korea



## **Costco Online**

**U.S.**

**UK**

**Canada**

**Taiwan**

**Mexico**

**Korea**

**Australia**

**Japan**



# E-Commerce

Complement the core warehouse  
Convenience of big & bulky purchases  
Grocery Online



Expanded selection year round  
Delivery + installation available  
Same Day Delivery available  
Expand the Costco “Treasure Hunt”





## **Costco Next**

**Get more of what you want with...**

**Exclusive Members Only Values on an expanded selection of goods curated by our buyers, directly from brands that you trust through [Costconext.com](https://www.costconext.com) or linkout through [Costco.com](https://www.costco.com)**



## Costco Next

- Home Improvement
- Beauty
- Apparel
- Luggage & Handbags
- Home & Kitchen
- Pet
- Electronics & Accessories
- Outdoor Recreation
- Sports & Bicycles
- Art
- Toys
- Many more to come...

**COSTCO**  
WHOLESALE

**COSTCO** | NEXT  
WHOLESALE

THOMAS KINKADE  
Studios

Dearfoams  
FEELS LIKE HOME

BRIGGS & RILEY

PRIORITY BICYCLES

CASE•MATE



CUCKOO

STUDIO SHED®

INSPIRE

HOTEL  
DOGGY®

butter | LONDON



And MORE...





# Grocery Online Options



## Same-Day Delivery

All groceries including fresh, frozen and household essentials.



## 2-Day Delivery

Non-perishable food and household essentials.



## Cold & Frozen Delivery

Select cold and frozen delivered to your home or small business.





## Exciting Merchandise



**Samsung Bespoke French Door  
Refrigerator**  
Sell: \$3,099.99



**Patrick Mahomes  
Signed Helmet**  
Sell: \$1,299.99



**La Prairie Firming Face  
Treatment**  
Sell: \$1,489.99



## One of a Kind



**4.09ct Pear Shape Diamond Ring**  
**Sell: \$89,999.99**



**7.55ct Fancy Yellow Diamond Ring**  
**Sell: \$89,999.99**



**4.01ct Radiant Diamond Ring**  
**Sell: \$84,999.99**



## Gift Cards & Tickets Online



**Southwest Airlines \$500  
eGift Card  
\$449.99**



**DoorDash 2 x \$50  
eGift Card  
\$89.99  
Sold out in 3 Days!**

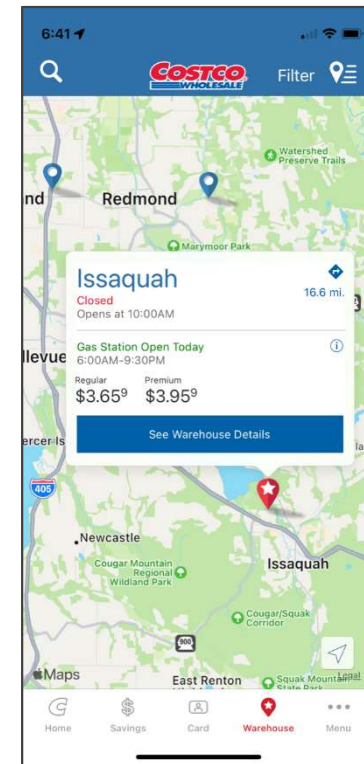
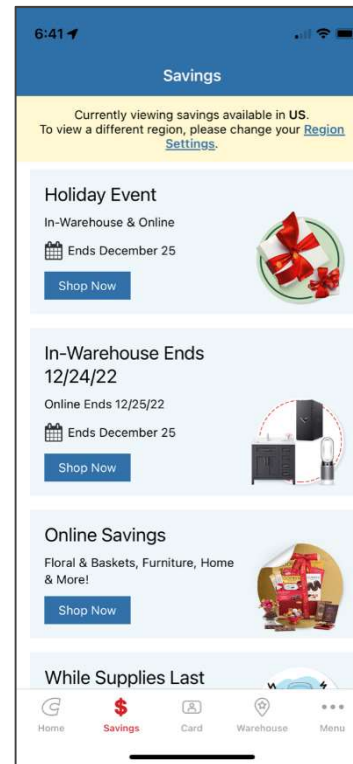
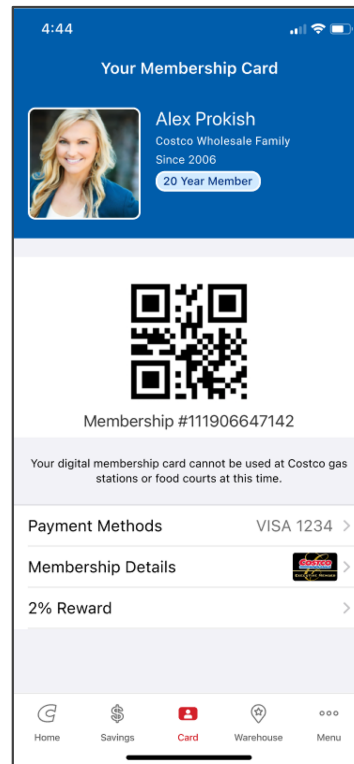
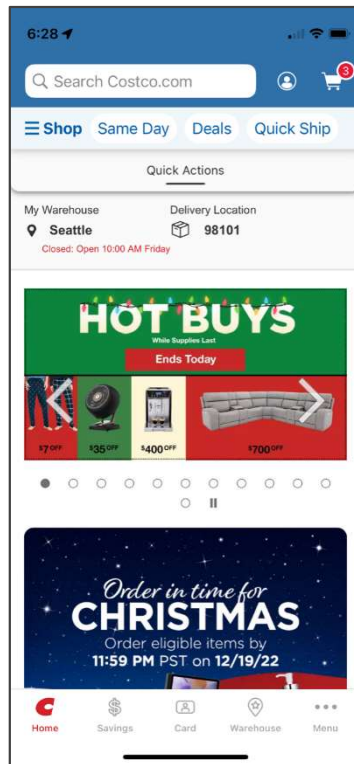


**Super Bowl LVII  
Packages  
Packages Ranging  
\$9,999.99 - \$42,999.99**





# Mobile app





# Mobile app



## Features

- Shop Online
- Digital Membership Card with Costco Citi Visa Card
- Quick Actions
- Location with gas prices
- Departments in Shop Menu

## New Enhancements for 2023

- Warehouse Inventory Online
- Notification Inbox
- In-Warehouse Mode
- Search Enhancements
- 'How to Use App' Walkthrough
- New Feature Tutorials
- Proximity In Warehouse (pilot)



# Costco Depots

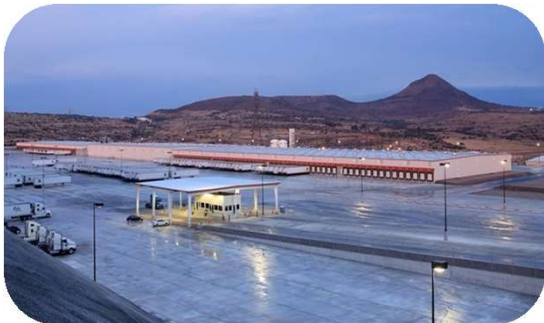


**26 Global  
Depot Campuses**

**8 Regions**



**18 Ecom Fulfillment Centers**



**22 Return Depots/DDCs**

**10 DDC Locations**





# Costco Logistics



- Increased member service level - room of choice or white glove
- Reduced ship time with forward deployed goods
- Lower member prices with full cost transparency/control
- Expand our online categories while controlling the delivery experience





## Costco Logistics

- **\$3.76B in sales on 3.2MM shipments - Average sale \$1,170**
- **10 middle mile distribution centers with over 11MM Square Feet**
- **121 final mile delivery facilities including AK, HI, and Puerto Rico**
- **~700 home delivery trucks on the road delivering six days a week**



# Costco Logistics





# Costco Logistics





## Business Centers



**23 U.S. Locations**

**6 Canada Locations**

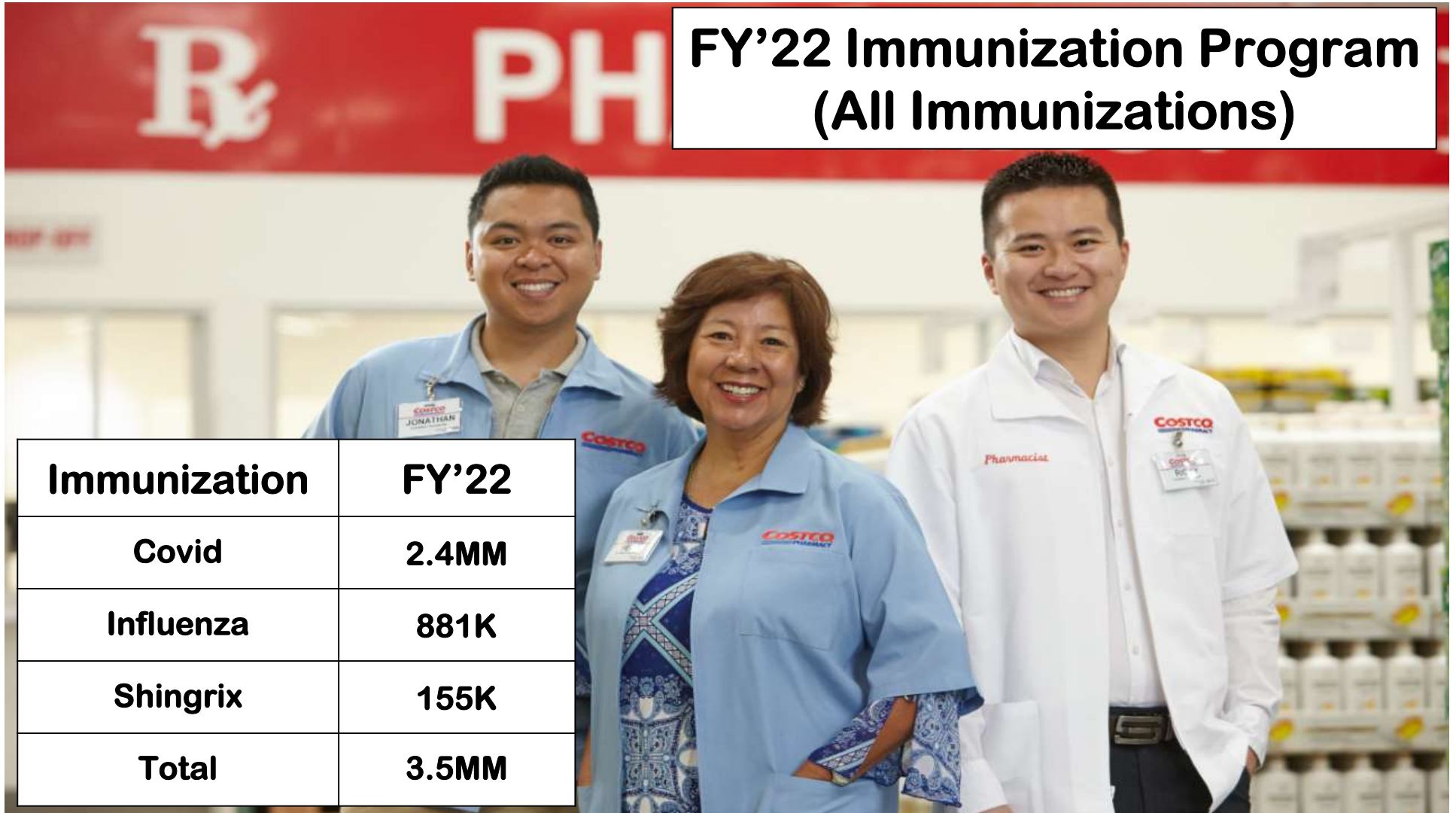
- Walk in / delivery for business members**
- eCommerce fulfillment – Online Dry Grocery**





## FY'22 Immunization Program (All Immunizations)

| Immunization | FY'22 |
|--------------|-------|
| Covid        | 2.4MM |
| Influenza    | 881K  |
| Shingrix     | 155K  |
| Total        | 3.5MM |





# Optical



**8.2MM Pairs of Glasses Sold Globally in FY'22**



# Food Court



**156MM Hot Dog & Soda Combos Sold Globally in FY'22**

**Gasoline**

**TOP  
TIER**  
Detergent Gasoline

**Global Gallon Sales +22% in FY'22**



## Tire Center

**10MM Tires Sold Globally in FY'22**







# Sustainability



# Sustainability Commitment



**Updated  
December  
2022**

*This Sustainability Commitment explains the efforts and steps we are taking to achieve our global sustainability goals. This includes updates for our fiscal year 2022. With nearly 850 warehouses around the world, we understand the impact we have on environmental and sustainability issues globally. Through focusing on initiatives such as our [Climate Action Plan](#) and our STAR program for our operators, we believe we can play a positive role in helping the world face these most pressing issues. While we see progress in many areas, we are committed to continuous improvement across all elements of our business: people and communities, operations and merchandise. As always, we thank our employees, suppliers, members and the communities where we operate for their continuing support as we work together to help our world thrive.*

— Craig Jelinek, CEO



# Sustainability Commitment

## Four pillars:

- People & Communities – supporting the people impacted by our business
- Operations - maintaining efficiencies in an environmentally responsible manner
- Merchandising - strategically sourcing merchandise in a sustainable manner
- Climate Action Plan – doing our part to address climate change and its impact





## **Sustainability Commitment Employees**

- 304,000 employees worldwide
- Premium benefits
- Industry leading compensation
  - \$26/hr average hourly wage in U.S.
  - \$31+/hr for 10 year service clerk in U.S.
- Benefits for full-time and part-time employees
  - 89% eligible in the U.S.; 97% of eligible employees enrolled
- Stable workforce
  - 32% of U.S. employees have >10 years of service
  - Low turnover: 9.1% after 1 year



## **Sustainability Commitment Communities**

- **1% of pretax profit donated, over \$65MM in 2022:  
United Way, Red Cross, Children's Hospitals**
- **Black Economic Development Fund - \$25MM  
investment**
- **Feeding America – \$5.5MM in cash grants and 90MM  
pounds of food and other products donated**
- **World Vision - \$278MM in merchandise donated**



## **Sustainability Commitment Operations**

- **Remain efficient, low-cost operators**
- **Expanding our “STAR” program globally to help us:**
  - **Remain in Compliance with regulations**
  - **Reduce Water Usage**
  - **Reduce Energy Usage**
  - **Reduce Waste**
  - **Reduce Emissions**





## **Sustainability Commitment Merchandise**

- Introduced the 6 Questions we ask our suppliers:
  - Can you map your supply chain?
  - How are the people treated?
  - How are the animals treated?
  - How is the environment treated – with focus on water, forestry, and fisheries?
  - Is the best possible packaging being used?
  - What are your emissions and plans to reduce them?



## **Sustainability Commitment**

### **Climate Action Plan**

- Met all milestones in our Climate Action Plan while supporting 7 UN Sustainable Development Goals
- Reduced Scope 1 and 2 absolute emissions from operations and increased our Reduction Commitment from 20% to 39% by 2030
- Determined global Scope 3 emissions (97% in our supply chain) and will determine Reduction Commitment by December 2023
- Developed robust Action Plans to reduce our Scope 1, 2, and 3 emissions



## **Financial Position (MM's)**

### **Q1, FY'23**

|   |                 |
|---|-----------------|
| <b>Cash, Equiv, &amp; Short-Term Inv.</b> | <b>\$11,673</b> |
| <b>Property &amp; Equipment (net)</b>     | <b>\$25,144</b> |
| <b>Long-Term Debt</b>                     | <b>\$6,543</b>  |
| <b>Stockholders' Equity</b>               | <b>\$21,476</b> |





## Dividends

- Initiated May 2004 at \$0.40 per year
  - Currently at \$3.60 per year
  - Growth Rate 13% per year
  - \$1.6B annually
- 
- Four special dividends in the last ten years



# Stock Repurchase

as of Fiscal Year End 2022

- Program inception – Fiscal Year 2005
- \$10.1B total expenditure
- 133.5 million shares retired
- \$75.96 average cost per share
- \$442MM in FY'22 (avg \$511.44/share)



## Expansion

### New (net)

FY'19

20

FY'20

13

FY'21

20

FY'22

23

FY'23(E)

24



## Company Annual Growth (Since Dec '85)

|           |       |
|-----------|-------|
| Net Sales | 12.4% |
|-----------|-------|

|            |       |
|------------|-------|
| Net Income | 13.4% |
|------------|-------|

|             |       |
|-------------|-------|
| Stock Price | 17.1% |
|-------------|-------|

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|           |      |
|-----------|------|
| S & P 500 | 8.7% |
|-----------|------|





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