COSTCO WHOLESALE NQ-COST

2021-23 PROJECTIONS

<table>
<thead>
<tr>
<th>Year</th>
<th>Mar. 31</th>
<th>Jun. 30</th>
<th>Sep. 30</th>
<th>Dec. 31</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>211.03</td>
<td>28.3</td>
<td>1.77</td>
<td>1.2%</td>
</tr>
<tr>
<td>2022</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2023</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

TIMELINESS
1 Raised 11/28

SAFETY
1 Raised 2/8/09

TECHNICAL
2 Closed 14/19

BETA
8 (1.00 = Market)

LEGENDS
[A] Use x "Cash Flow" p sh
[B] Relative Price Strength
[C] Options: Yes
[Shaded area indicates recession

Interim periods cover 12, 12, 12, and 16 weeks.

(excludes n/r gains/(losses): '05, '06, '08, '09 (98%); '10 (1c); '12 (88); '13 (144); Next egs. report due early March.

Divs historically paid in mid-Feb., mid-May, early Aug., and mid-Nov. Div reinvestment plan available. Special div of $7.00 paid
in 12/12. $5.00 in 2/15. $7.00 paid in 3/17.

■ Incl. membership fees.

(Totals may not sum due to rounding.

<table>
<thead>
<tr>
<th>Year</th>
<th>Target Price Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>1 yr. 10.6 -11.6</td>
</tr>
<tr>
<td>2022</td>
<td>4 yr. 25.4 -26.8</td>
</tr>
<tr>
<td>2023</td>
<td>5 yr. 36.9 -39.0</td>
</tr>
</tbody>
</table>

Company’s Financial Strength

Stock’s Price Stability
95

Price Growth Persistence
90

Earnings Predictability
90

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COSTCO WHOLESALE closed out calendar 2018 in admirable fashion. November-quarter revenue of $35.1 billion rose 10.2% year over year. Domestic same-store sales grew 11% on a reported basis (8.3% excluding the impact of gas prices, currency translation, and a change in revenue recognition). Online sales expanded 32.3% (26.2%), and contributed around 70 basis points of the comp gain. Notably, e-commerce revenue still only made up around 4.8% of the total. Traffic on a global basis increased 4.9%, while the average transaction amount rose 2.4%. Over the holidays, the sales performance moderated somewhat, with domestic same-store sales up 7.5% and the companywide comp growing 6.1%. First-quarter earnings came in at $1.61, beating our call by $0.01 and rising 11% year over year.

Costco is investing in its omnichannel experience. Same-day grocery delivery is now available to members within a 20-minute driving distance of 99% of its locations. It has also expanded the selection of merchandise available for buy-online, pickup in-store, and is currently offering pickup in locations.

We are not anticipating much margin expansion over the intermediate term. Over the past two quarters, there has been some pressure related to the fresh food category (produce and protein specifically). The fiscal first-quarter gross margin was down 26 basis points. Competitive pricing from supermarkets and Walmart’s Sam’s Club appears to be the main cause. Too, the increased investment in e-commerce and higher fulfillment costs are offsetting operating cost leverage from the transition, and a change in revenue recognition. Online sales expanded 32.3% (26.2%), and contributed around 70 basis points of the comp gain. Notably, e-commerce revenue still only made up around 4.8% of the total. Traffic on a global basis increased 4.9%, while the average transaction amount rose 2.4%. Over the holidays, the sales performance moderated somewhat, with domestic same-store sales up 7.5% and the companywide comp growing 6.1%. First-quarter earnings came in at $1.61, beating our call by $0.01 and rising 11% year over year.

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