

company operates wholesale-membership warehouses in the U.S. 564 as of 8/29/21, Canada 105, Mexico 39, United Kingdom 29, Japan 29, Korea 16, Taiwan 14, Australia 12, Spain 3, Iceland 1, France, 1 China, 1. Sells merchandise directly from warehouses to

1.0% of common stock; Vanguard, 8.4%; BlackRock, 6.8% (12/21 proxy). Chrmn.: Hamilton E. James. Pres. & CEO: W. Craig Jelinek. Inc.: Washington. Addr: 999 Lake Drive, Issaquah, Washington 98027. Tel.: 425-313-8100. Internet: www.costco.com

ANNUAL RATES Past Est'd '18-'20 Past 10 Yrs. to '24-'26 of change (per sh) 5 Yrs. Sales "Cash Flow" 6.5% 10.0% 8.5% 8.0% 10.0% Earnings Dividends Book Value 11.0% 13.5% 4.5% 10.5% 8.0% 10.5% 11.0% 12.5% 6.5%

28120

14172

10577

24844

29505

16278 799 12364

29441

33850

19561

799 12982

33342

Current Assets

Accts Payable Debt Due

Current Liab.

Other

Fiscal Year Ends			ENUES (\$ May Per	mill.) ^{A E} Aug.Per	Full Fiscal Year
2018	31809	32995	32361	44411	141576
2019	35069	35396	34740	47498	152703
2020	37040	39072	37266	53383	166761
2021	43208	44769	45277	62675	195929
2022	50363	49100	48600	69937	218000
Fiscal	EARNINGS PER SHARE A B E				_Full _
Year Ends	Nov.Per	Feb.Per	May Per	Aug.Per	Fiscal Year
2018	1.45	1.59	1.70	2.36	7.09
2019	1.61	2.01	1.89	2.69	8.19
2020	1.73	2.10	1.89	3.04	8.76
2021	2.29	2.14	2.75	3.90	11.09
2022	2.97	2.70	2.90	4.28	12.85
Cal-	QUARTERLY DIVIDENDS PAID C=				Full
endar	Mar.31	Jun.30	Sep.30	Dec.31	Year
2018	.50	.57	.57	.57	2.21
2019	.57	.65	.65	.65	2.52
2020	.65	.70	.70	.70	2.75
2021	.70	.79	.79	.79	3.07
2022					

Costco Wholesale was the belle of the holiday ball. The top line grew 16.2% year over year in the month of December, as consolidated same-store sales rose 14.5%, and 11.5% excluding gas and currency exchange. The domestic comp came in at 15.9% (11.5% adjusted) and the ecommerce business advanced 17.8%.

The pandemic and its ripple effects are still impacting shopping behavior. Baking items have been strong as more people got together during the holidays than a year ago. Pet products are also doing well, owing to the elevated pet ownership of late. Sales of alcohol and spirits remain solid, and Costco continues to enjoy healthy demand for consumer electronics, appliances, furniture, and mattresses. The company is clearly winning market share during the pandemic, as many people now prefer to make one big shopping trip in a wide open space due to health concerns. Traffic for the month was up 9.8% worldwide and 8.5% at home, and we expect continued gains ahead.

Not much has changed on the supply-chain front. Around 79% of Costco's import containers are late an average of 51

days. Most of the causes are also leading to inflation and include port delays, container challenges, COVID disruptions, shortages of various components, raw materials, ingredients, and packaging supplies, labor cost pressures, truck and driver challenges, and the ongoing chip shortage. Costco seems to be navigating fairly well, with management saying the effects "ebb and flow."

The e-commerce business is booming. The company's historically underdeveloped digital business has thrived during the pandemic, partly due to Instacart offering same-day fresh food deliveries and a greater assortment of big and bulky items. E-commerce is now around 9% of total sales, about double the size it was two years ago. Despite this success, the company appears to be abandoning the buy online, pick-up-in-store test it was conducting in New Mexico, citing tepid interest, a lack of space, and busy locations.

Momentum investors may be tempted to pull the trigger on these timely shares, however this Wall Street darling is priced for perfection. Kevin Downing

January 21, 2022

(A) Fiscal year ends on Sunday nearest Aug. 31st. Interim periods cover 12, 12, 12, and 16 weeks.(B) Excludes n/r gains/(losses): '05, April, late July., and late Oct. = Div'd reinvest- (D) Incl. membership fees. 15¢; '07, (26¢); '09 (9¢); '10, (1¢); '12, (8¢); ment plan available. Special div'd of \$7.00 paid (E) Totals may not sum due to rounding.

13, (14¢). Next egs. report due early March. (C) Div'ds historically paid in early Feb., late April, late July., and late Oct. ■ Div'd reinvest- (D) Incl. membership fees.

Company's Financial Strength Stock's Price Stability A++ 100 Price Growth Persistence **Earnings Predictability** 100

© 2022 Value Line, Inc. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product