



QUARTERLY RESULTS PRESENTATION

FOURTH QUARTER 2022

FORWARD-LOOKING STATEMENTS

Certain statements in this presentation are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, and such statements are intended to qualify for the protection of the safe harbor provided by the Act. The words “anticipate,” “estimate,” “approximate,” “expect,” “objective,” “goal,” “project,” “intend,” “plan,” “believe,” “will,” “should,” “may,” “target,” “forecast,” “guidance,” “outlook,” and similar expressions generally identify forward-looking statements. Similarly, descriptions of our objectives, strategies, plans, goals or targets are also forward-looking statements. Forward-looking statements relate to the expectations of management as to future occurrences and trends, including statements expressing optimism or pessimism about future operating results or events and projected sales, earnings, capital expenditures and business strategy. Forward-looking statements are based upon a number of assumptions concerning future conditions that may ultimately prove to be inaccurate. Forward-looking statements are and will be based upon management’s then-current views

and assumptions regarding future events and operating performance, and are applicable only as of the dates of such statements. Although we believe the expectations expressed in forward-looking statements are based on reasonable assumptions within the bounds of our knowledge, forward-looking statements, by their nature, involve risks, uncertainties and other factors, any one or a combination of which could materially affect our business, financial condition, results of operations or liquidity.

Forward-looking statements that we make herein and in other reports and releases are not guarantees of future performance and actual results may differ materially from those discussed in such forward-looking statements as a result of various factors, including, but not limited to, developments related to the Covid-19 pandemic, the current economic and credit conditions, inflation, the cost of goods, our inability to successfully execute strategic initiatives, competitive pressures, economic pressures on our customers and us, the

availability of brand name closeout merchandise, trade restrictions, freight costs, the risks discussed in the Risk Factors section of our most recent Annual Report on Form 10-K, and other factors discussed from time to time in our other filings with the SEC, including Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. This presentation should be read in conjunction with such filings, and you should consider all of these risks, uncertainties and other factors carefully in evaluating forward-looking statements.

You are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date they are made. We undertake no obligation to publicly update forward-looking statements, whether as a result of new information, future events or otherwise. You are advised, however, to consult any further disclosures we make on related subjects in our public announcements and SEC filings.

FOURTH QUARTER RESULTS

OUTLOOK

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CEO COMMENT

“

“Despite the extremely difficult consumer environment throughout 2022, we’ve taken action to strengthen and transform our business model. We have made sequential progress to improve our margins, tightly manage expenses, and right-size our inventories over the last few quarters.”

“I am optimistic that many of the headwinds have begun to abate and, with regard to freight, materially turn. We expect the key actions we’ve taken to strengthen the business over the course of 2022 will gain traction and improve results more significantly in the back half of 2023.”

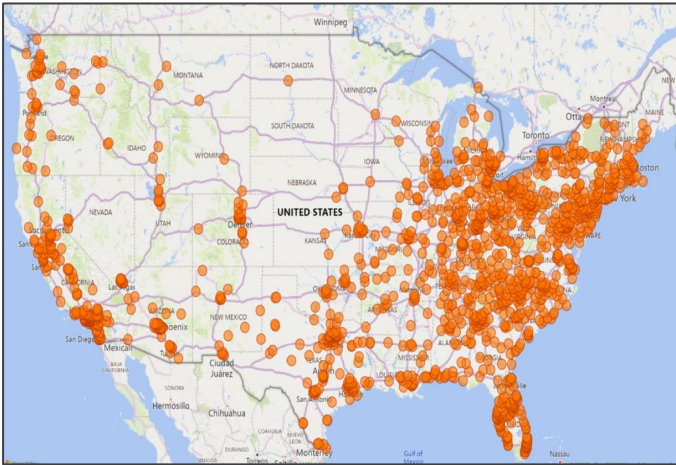
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Bruce Thorn, President & CEO

BIG LOTS AT A GLANCE

National Store Footprint



1,425 Stores in 48 States

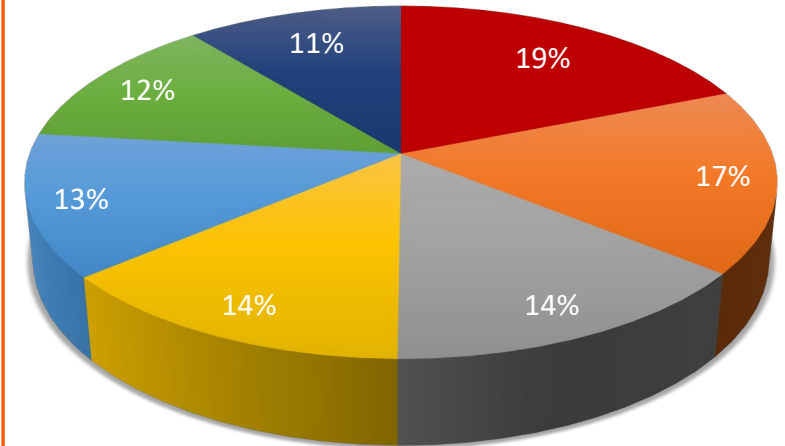
Strong Omnichannel Capabilities



Industry-leading delivery options, easy checkout, multiple payment types in-store and online

Diversified Category Mix

Chart based on Q4 2022 sales



- Furniture
- Seasonal
- The Lot, Apparel, Electronics, etc.
- Hard Home
- Food
- Soft Home
- Consumables



FOURTH QUARTER HIGHLIGHTS

-13.0%
Comps

In line
With Guidance

36.3%
Gross margin

230 bps
Improvement vs. Q3

\$1.15B
Inventory at the
end of Q4

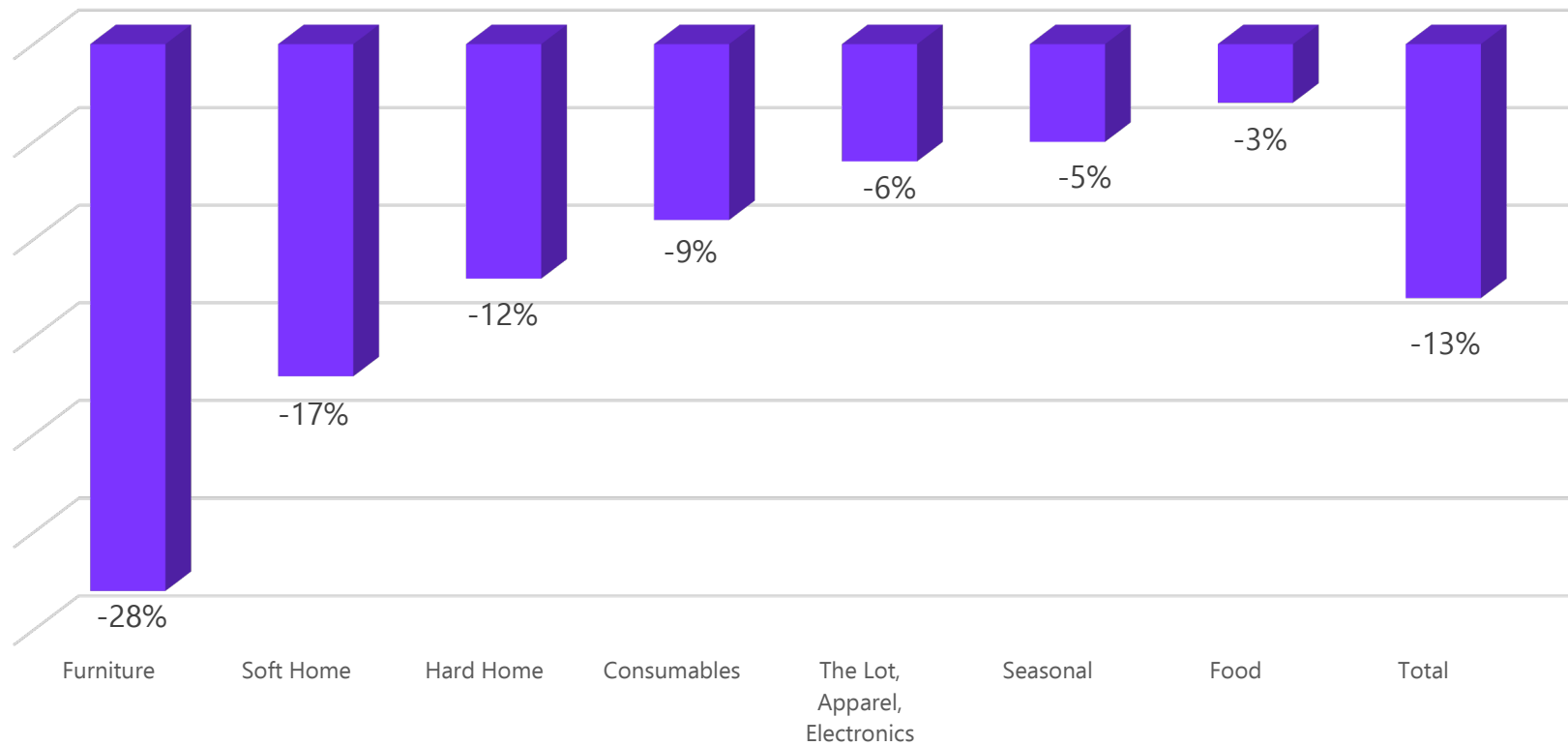
Down 7.3% vs. LY
vs. up 5.3% in Q3 YOY

-2%
Adjusted
operating
expense¹ vs. LY

Better than expected
vs. Guidance

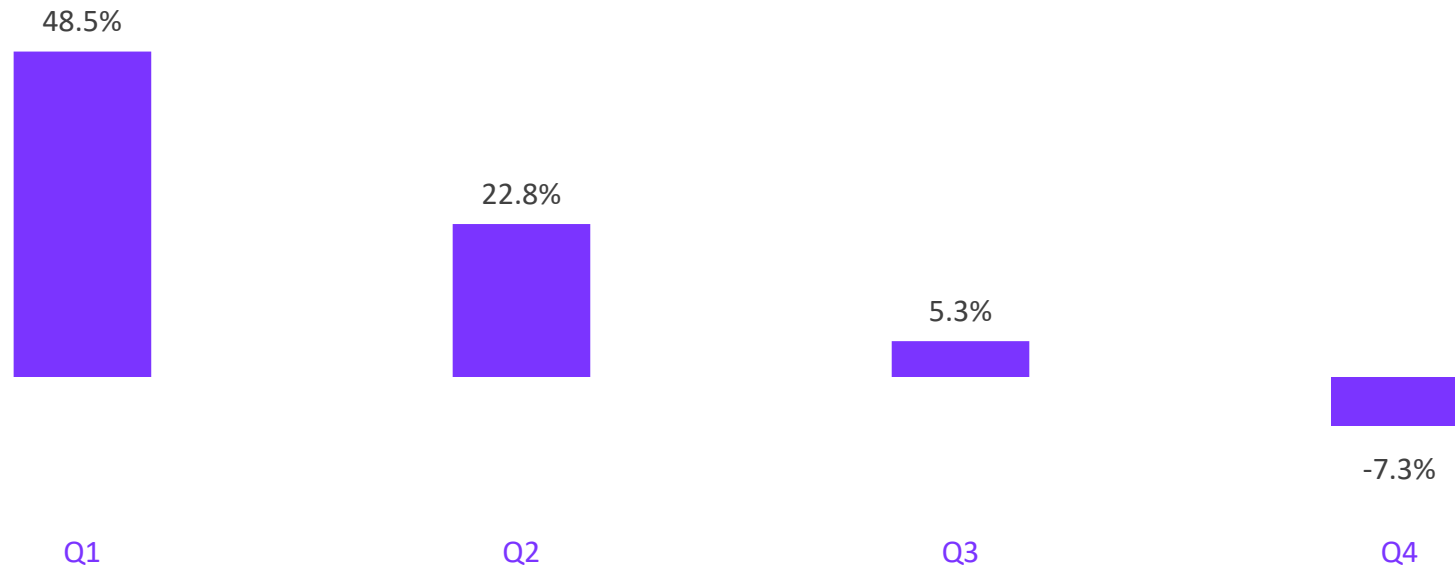
Q4 2022 COMP SALES BY CATEGORY

Furniture Sales Impacted by Soft Industry Demand and Supply Chain Disruption



INVENTORY REDUCTION EFFORTS SUCCESSFUL

2022 YOY Inventory Growth



ADJUSTED Q4 2022 SUMMARY INCOME STATEMENT

(In thousands, except for earnings per share)

	Q4 2022	Q4 2021	Change vs. 2021
Net Sales	\$1,543,113	\$1,732,021	(10.9%)
Gross Margin	560,901	646,082	
Gross Margin Rate	36.3%	37.3%	(100) bps
Adjusted Operating Expenses ⁽¹⁾⁽²⁾	563,235	573,571	
Adjusted Operating Expense Rate ⁽²⁾	36.5%	33.1%	340 bps
Adjusted Operating (Loss) Profit ⁽²⁾	(\$2,334)	\$72,511	
Adjusted Operating (Loss) Profit Rate ⁽²⁾	(0.2%)	4.2%	(440) bps
Adjusted Diluted (Loss) Earnings Per Share ⁽²⁾	(\$0.28)	\$1.75	
Diluted Weighted Average Shares	28,957	30,667	

(1) Adjusted Operating Expenses are comprised of adjusted Selling and Administrative Expenses and Depreciation Expense.

(2) Adjusted 2021 and 2022 results are non-GAAP financial measures. A reconciliation of reported GAAP results to the adjusted non-GAAP results is included in the appendix.

ADJUSTED FULL YEAR 2022 SUMMARY INCOME STATEMENT

(In thousands, except for earnings per share)

	FY 2022	FY 2021	Change vs. 2021
Net Sales	\$5,468,329	\$6,150,603	(11.1%)
Gross Margin	1,913,503	2,397,007	
Gross Margin Rate	35.0%	39.0%	(400) bps
Adjusted Operating Expenses ⁽¹⁾⁽²⁾	2,123,454	2,152,221	
Adjusted Operating Expense Rate ⁽²⁾	38.8%	35.0%	380 bps
Adjusted Operating (Loss) Profit ⁽²⁾	(\$209,951)	\$244,786	
Adjusted Operating (Loss) Profit Rate ⁽²⁾	(3.8%)	4.0%	(780) bps
Adjusted Diluted (Loss) Earnings Per Share ⁽²⁾	(\$5.96)	\$5.44	
Diluted Weighted Average Shares	28,860	33,355	

(1) Adjusted Operating Expenses are comprised of adjusted Selling and Administrative Expenses and Depreciation Expense.

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CAPITAL ALLOCATION

\$159M
FY2022 CAPEX

Lower than guidance of \$170M

\$0.30
Quarterly
Dividend⁽¹⁾

Approximate 7.1% yield
(as of January 28, 2023)

~\$48M
Proceeds from
sale of assets

Expect further proceeds from asset
monetization efforts in 2023

⁽¹⁾The payment of future dividends will be at the discretion of our Board of Directors and will depend on our financial condition, results of operations, capital requirements, compliance with applicable laws and agreements and any other factors deemed relevant by our Board of Directors.

FOURTH QUARTER RESULTS

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Q1 2023 OUTLOOK

COMP SALES

Down low to mid-teens

GROSS MARGIN IMPROVEMENT

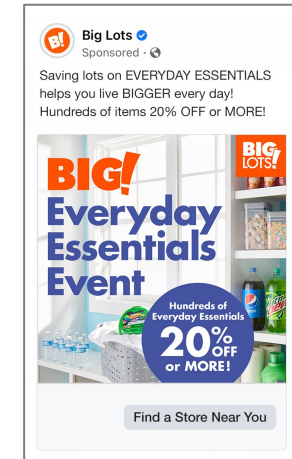
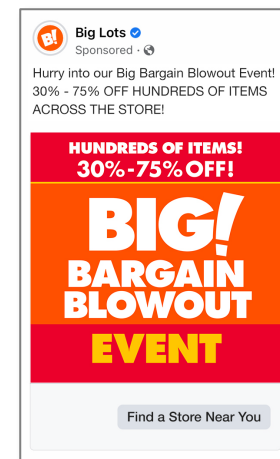
Sequential improvement vs. Q4, in
to the high-30s range

SG&A COST REDUCTION

Incremental structural savings over
\$70 million for FY 2023

FIVE KEY ACTIONS

- **Own bargains and treasures, achieving two-thirds** penetration by the end of 2023
- **Communicate unmistakable value** to customers through comparable value ticketing, bargain end-caps, and targeted marketing
- Increase store relevance by **leveraging our opportunity in rural and small-town markets** where we outperform urban markets, while taking a prudent near-term approach to store openings
- **Win with omnichannel** by improving shop-ability and engagement
- **Drive productivity** through structural SG&A reduction, inventory turns, and capex efficiency



FOURTH QUARTER RESULTS

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Q4 WRAP-UP

- **Comparable sales decline of 13% in Q4**, in line with guidance
- **Q4 adjusted EPS loss of \$0.28** due to year-over-year sales decline and continued cost pressures
- **Successfully reduced inventory** to appropriate levels
- **Comps down in the low to mid-teen range in Q1; focused on unlocking additional sales opportunities** (i.e. better opening price points, bargains/closeouts, trade-down demand)
- **Q1 gross margin to sequentially improve vs. Q4**, in to the high-30s range
- **Structural SG&A cost savings of over \$70 million** in fiscal 2023
- **Advancing five key actions** to greatly improve our customer value proposition and operating results

FOURTH QUARTER RESULTS

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FOURTH QUARTER 2022 GAAP TO NON-GAAP RECONCILIATION

(\$ in thousands, except for earnings per share)

	As reported	Adjustment to exclude store asset impairment charges	Adjustment to exclude gain on sale of real estate and related expenses	As adjusted (non-GAAP)
Selling and administrative expenses	\$525,905	(\$22,568)	\$18,581	\$521,918
Selling and administrative expense rate	34.1%	(1.5%)	1.2%	33.8%
Depreciation expense	43,051	-	(1,734)	41,317
Depreciation expense rate	2.8%	-	(0.1%)	2.7%
Operating loss	(8,055)	22,568	(16,847)	(2,334)
Operating loss rate	(0.5%)	1.5%	(1.1%)	(0.2%)
Income tax benefit	(2,958)	5,408	(4,040)	(1,590)
Effective income tax rate	19.2%	(1.6%)	(1.2%)	16.4%
Net loss	(12,463)	17,160	(12,807)	(8,110)
Diluted (loss) earnings per share	(\$0.43)	\$0.59	(\$0.44)	(\$0.28)

The above adjusted selling and administrative expenses, adjusted selling and administrative expense rate, adjusted operating loss, adjusted operating loss rate, adjusted income tax benefit, adjusted effective income tax rate, adjusted net loss, and adjusted diluted earnings (loss) per share are "non-GAAP financial measures" as that term is defined by Rule 101 of Regulation G (17 CFR Part 244) and Item 10 of Regulation S-K (17 CFR Part 229). These non-GAAP financial measures exclude from the most directly comparable financial measures calculated and presented in accordance with accounting principles generally accepted in the United States of America ("GAAP") store asset impairment charges of \$22,568 (\$17,160, net of tax) and gain on the sale of real estate and related expenses of \$16,847 (\$12,807, net of tax).

Our management believes that the disclosure of these non-GAAP financial measures provides useful information to investors because the non-GAAP financial measures present an alternative and more relevant method for measuring our operating performance, excluding special items included in the most directly comparable GAAP financial measures, that management believes is more indicative of our on-going operating results and financial conditions. Our management uses these non-GAAP financial measures, along with the most directly comparable GAAP financial measures, in evaluating our operating performance.

FOURTH QUARTER 2021 GAAP TO NON-GAAP RECONCILIATION

(\$ in thousands, except for earnings per share)			
	As reported	Adjustment to exclude store asset impairment charges	As adjusted (non-GAAP)
Selling and administrative expenses	\$541,228	(\$5,033)	\$536,195
Selling and administrative expense rate	31.2%	(0.3%)	31.0%
Operating profit	67,478	5,033	72,511
Operating profit rate	3.9%	0.3%	4.2%
Income tax expense	15,734	1,251	16,985
Effective income tax rate	24.0%	0.1%	24.1%
Net income	49,838	3,782	53,620
Diluted earnings per share	\$1.63	\$0.12	\$1.75

The above adjusted selling and administrative expenses, adjusted selling and administrative expense rate, adjusted operating loss, adjusted operating loss rate, adjusted income tax benefit, adjusted effective income tax rate, adjusted net loss, and adjusted diluted earnings (loss) per share are "non-GAAP financial measures" as that term is defined by Rule 101 of Regulation G (17 CFR Part 244) and Item 10 of Regulation S-K (17 CFR Part 229). These non-GAAP financial measures exclude from the most directly comparable financial measures calculated and presented in accordance with accounting principles generally accepted in the United States of America ("GAAP") store asset impairment charges of \$5,033 (\$3,782, net of tax).

FULL YEAR 2022 GAAP TO NON-GAAP RECONCILIATION

(\$ in thousands, except for earnings per share)

	As reported	Adjustment to exclude store asset impairment charges	Adjustment to exclude gain on sale of real estate and related expenses	As adjusted (non-GAAP)
Selling and administrative expenses	\$2,020,144	(\$68,396)	\$18,581	\$1,970,329
Selling and administrative expense rate	36.9%	(1.3%)	0.3%	36.0%
Depreciation expense	154,859	-	(1,734)	153,125
Depreciation expense rate	2.8%	-	(0.0%)	2.8%
Operating loss	(261,500)	68,396	(16,847)	(209,951)
Operating loss rate	(4.8%)	1.3%	(0.3%)	(3.8%)
Income tax benefit	(69,709)	16,739	(4,040)	(57,010)
Effective income tax rate	24.9%	0.0%	0.0%	24.9%
Net loss	(210,708)	51,657	(12,807)	(171,858)
Diluted (loss) earnings per share	(\$7.30)	\$1.79	(\$0.44)	(\$5.96)

The above adjusted selling and administrative expenses, adjusted selling and administrative expense rate, adjusted operating loss, adjusted operating loss rate, adjusted income tax benefit, adjusted effective income tax rate, adjusted net loss, and adjusted diluted earnings (loss) per share are "non-GAAP financial measures" as that term is defined by Rule 101 of Regulation G (17 CFR Part 244) and Item 10 of Regulation S-K (17 CFR Part 229). These non-GAAP financial measures exclude from the most directly comparable financial measures calculated and presented in accordance with accounting principles generally accepted in the United States of America ("GAAP") store asset impairment charges of \$68,396 (\$51,657, net of tax) and gain on the sale of real estate and related expenses of \$16,847 (\$12,807, net of tax).

FULL YEAR 2021 GAAP TO NON-GAAP RECONCILIATION

(\$ in thousands, except for earnings per share)	As reported	Adjustment to exclude store asset impairment charges	As adjusted (non-GAAP)
Selling and administrative expenses	\$2,014,682	(\$5,033)	\$2,009,649
Selling and administrative expense rate	32.8%	(0.1%)	32.7%
Operating profit	239,753	5,033	244,786
Operating profit rate	3.9%	0.1%	4.0%
Income tax expense	54,033	1,251	55,284
Effective income tax rate	23.3%	0.0%	23.3%
Net income	177,778	3,782	181,560
Diluted earnings per share	\$5.33	\$0.11	\$5.44

The above adjusted selling and administrative expenses, adjusted selling and administrative expense rate, adjusted operating loss, adjusted operating loss rate, adjusted income tax benefit, adjusted effective income tax rate, adjusted net loss, and adjusted diluted earnings (loss) per share are "non-GAAP financial measures" as that term is defined by Rule 101 of Regulation G (17 CFR Part 244) and Item 10 of Regulation S-K (17 CFR Part 229). These non-GAAP financial measures exclude from the most directly comparable financial measures calculated and presented in accordance with accounting principles generally accepted in the United States of America ("GAAP") non-cash store asset impairment charges of \$5,033, (\$3,782, net of tax).