

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): January 10, 2022

BIG LOTS, INC.

(Exact name of registrant as specified in its charter)

Ohio
(State or other jurisdiction of incorporation)

001-08897
(Commission File Number)

06-1119097
(I.R.S. Employer Identification No.)

4900 E. Dublin-Granville Road, Columbus, Ohio 43081
(Address of principal executive offices) (Zip Code)

(614) 278-6800
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communication pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communication pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common shares	BIG	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2 of this chapter).
Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 7.01 Regulation FD Disclosure.

As previously announced in a press release (the "Presentation Press Release") issued on January 5, 2022 by Big Lots, Inc. ("we," "us," "our" or "Company"), executives of the Company are scheduled to make a presentation at the 2022 ICR Conference on Tuesday, January 11, 2022.

On January 10, 2022, the Company issued a press release (the "Guidance Press Release") which provided (i) updated guidance for the fourth quarter of fiscal 2021; (ii) a long-range growth and margin outlook; and (iii) an update on the Company's use of its share repurchase authorization approved by its Board of Directors on December 1, 2021.

Attached as exhibits to this Form 8-K are copies of the Presentation Press Release (Exhibit 99.1), the slides to be used in the presentation (Exhibit 99.2) and the Guidance Press Release (Exhibit 99.3). The information disclosed in this Item 7.01 and included in Exhibit 99.1, Exhibit 99.2 and Exhibit 99.3 is being furnished, not filed. By furnishing the information disclosed in this Item 7.01 and included in Exhibit 99.1, Exhibit 99.2 and Exhibit 99.3, we are making no admission as to the materiality of the information disclosed in this Item 7.01 or included in Exhibit 99.1, Exhibit 99.2 or Exhibit 99.3.

Item 9.01 Financial Statements and Exhibits.

(d)	Exhibits	
	<u>Exhibit No.</u>	<u>Description</u>
	99.1	Big Lots, Inc. press release on investor presentation.
	99.2	Big Lots, Inc. investor presentation.
	99.3	Big Lots, Inc. press release on guidance.
	104	Cover Page Interactive Data File (formatted as Inline XBRL).

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BIG LOTS, INC.

Date: January 10, 2022

By: /s/ Ronald A. Robins, Jr.
Ronald A. Robins, Jr.
Executive Vice President, Chief Legal and Governance Officer, General Counsel and Corporate Secretary

PRESS RELEASE
FOR IMMEDIATE RELEASE

Contact: Tom Filandro - ICR, Inc.
Partner
tom.filandro@icrinc.com
(646) 277-1235

COMPANY TO PARTICIPATE IN 2022 ICR CONFERENCE ON TUESDAY JANUARY 11TH

Columbus, Ohio -- January 5, 2022 -- Big Lots announced today that the Company will participate in the 2022 ICR Conference, which will be a virtual event this year. Bruce Thorn, President and CEO of Big Lots, Jonathan Ramsden, Executive Vice President, Chief Financial & Administrative Officer, and Jack Pestello, Executive Vice President, Chief Merchandising Officer, are scheduled to participate in a fireside chat on Tuesday, January 11, 2022, which will be broadcast live beginning at approximately 10:30 AM Eastern Time.

For information regarding registration and participation in the conference, please visit <https://icrconference.com>. Additionally, an audio only live webcast of the fireside chat will be available through the Investor Relations section of the company's website at <https://www.biglots.com/corporate/investors/>.

If you are unable to join the live webcast, an archive will be available at <https://www.biglots.com/corporate/investors/> on January 11, and will remain available through midnight, January 21, 2022.

About Big Lots, Inc.

Headquartered in Columbus, Ohio, Big Lots, Inc. (NYSE: BIG) is a neighborhood discount retailer and a Fortune 500 company, operating 1,429 stores in 47 states, as well as a best-in-class ecommerce platform with expanded capabilities via BOPIS, curbside pickup, Instacart and same day delivery. The company's product assortment is focused on home essentials: Furniture, Seasonal, Soft Home, Food, Consumables and Hard Home. Ranked one of the fastest-growing eCommerce businesses by Digital Commerce 360 and the recipient of Home Textiles Today's 2021 Retail Titan Award, Big Lots' mission is to help people Live BIG and Save Lots. The company strives to be the BIG difference for a better life by delivering exceptional value to customers through the ultimate treasure hunt shopping experience, building a "best places to grow" culture, rewarding shareholders with consistent growth and top-tier returns, and doing good in local communities. For more information about the company, visit [biglots.com](https://www.biglots.com).

Cautionary Statement Concerning Forward-Looking Statements

Certain statements in this release 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," "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 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



Investor Contact
ICR, Inc.
Tom Filandro, 646-277-1235
Tom.Filandro@icrinc.com

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 the company believes the expectations expressed in forward-looking statements are based on reasonable assumptions within the bounds of knowledge, forward-looking statements, by their nature, involve risks, uncertainties and other factors, any one or a combination of which could materially affect business, financial condition, results of operations or liquidity.

Forward-looking statements that the company makes 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 coronavirus pandemic, current economic and credit conditions, the cost of goods, the inability to successfully execute strategic initiatives, competitive pressures, economic pressures on customers and the company, the availability of brand name closeout merchandise, trade restrictions, freight costs, the risks discussed in the Risk Factors section of the company’s most recent Annual Report on Form 10-K, and other factors discussed from time to time in other filings with the SEC, including Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. This release 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 thereof. The company undertakes 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 the company makes on related subjects in public announcements and SEC filings.



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Tom Filandro, 646-277-1235
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INVESTOR PRESENTATION

January 2022

FORWARD-LOOKING STATEMENTS



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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, the Covid-19 coronavirus pandemic, current economic and credit crisis, 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 release 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 thereof. 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.



BIG LOTS IS A COMPELLING INVESTMENT OPPORTUNITY

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- Tremendous **runway for growth** through footprint expansion and market-share gain
- Clear positioning as a **home discount retailer**
- Unique assortment and **rapidly developing omnichannel** capabilities
- **Growing base** of loyal customers
- **Value never goes out of style!**

BIG LOTS!

ABOUT BIG LOTS

**OUR COMPETITIVE
ADVANTAGE**

OPERATION NORTH STAR

OUR FINANCIAL GOALS

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WE HAVE A CLEAR PURPOSE & VISION GROUNDED IN OUR VALUES



OUR PURPOSE

We help
people
live **BIG** and
save **LOTS**

OUR VISION

Be the **BIG** difference
for a better life by...

...delivering unmatched value and
surprising products
...building a "best places to grow"
culture
...engaging with partners to
innovate & execute
...rewarding shareholders with top
tier returns
...doing good as we do well

OUR VALUES

- We are **customer** obsessed!
- We play to win!
- We are **courageous**!
- We treat all with **respect**!
- We are **one team**!

BIGLOTS!

**WE HAVE NATIONAL SCALE AND A
STRONG OMNICHANNEL PRESENCE !**

BIG LOTS! AT A GLANCE

**\$6.2
BILLION**
Trailing 12-
month sales

RANKED 449TH
in the Fortune 500 in 2020

1,431
Stores across
47 states

~22,800 SELLING SQ FT
per store

**22
MILLION**
Rewards
members

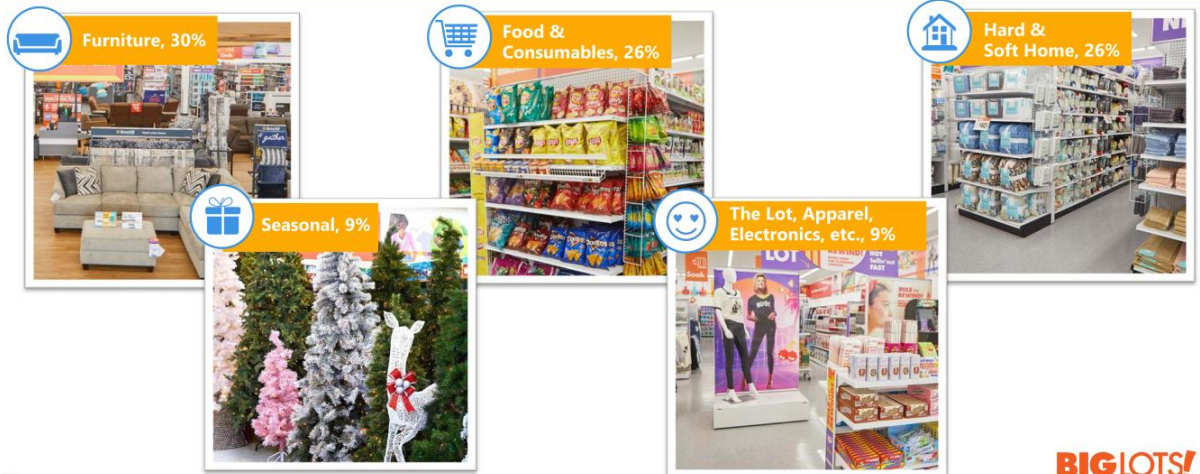
10% CAGR
over last 5 years

>5%
eComm
Penetration

eComm Sales 4x
vs 2019

BIG LOTS!

WE OFFER A BROAD AND WELL-BALANCED MERCHANDISE ASSORTMENT



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Note: Percentages are shares of total company year-to-date sales through Q3 2021.

BIG LOTS!

WE HAVE A GROWING BASE OF LOYAL CUSTOMERS !



Rewards Customers (M)

1: As of end of Q3 2021.



OVER 75% FEMALE
SPANS ALL INCOME BRACKETS
MAJORITY AGE 40+, SHIFTING YOUNGER

LIVES FOR HER HOME & FAMILY
ENJOYS HUNTING FOR TREASURES & BARGAINS
LOVES TO HOST & ENTERTAIN

CROSS-SHOPS WIDE RANGE OF CATEGORIES
SHOPS OMNI-CHANNEL
SPENDS 38% MORE AS A REWARDS MEMBER

BIG LOTS!

WE DO GOOD AS WE DO WELL !

WE PARTNER WITH
NATIONAL NONPROFITS...



...AND HAVE A STRONG
FOCUS ON ESG



[CLICK HERE TO FIND OUR BIG CARES REPORT ONLINE!](#)

ABOUT BIG LOTS

**OUR COMPETITIVE
ADVANTAGE**

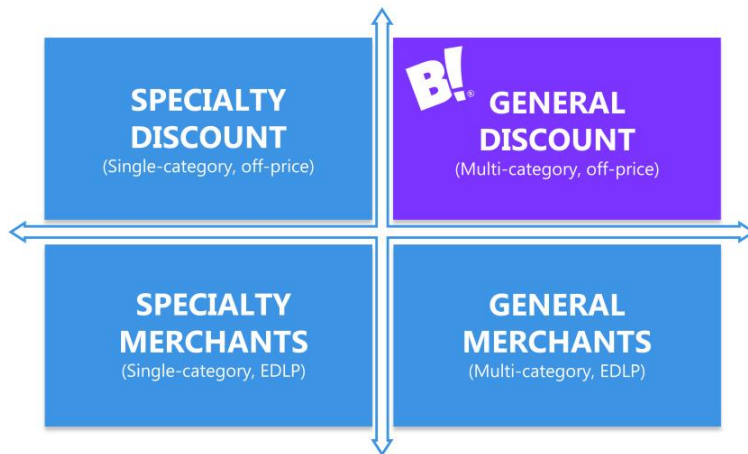
OPERATION NORTH STAR

OUR FINANCIAL GOALS

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WE ARE A VALUE-OBSESSED HOME DISCOUNT RETAILER !



LEAST CROWDED SPACE, WITH ROOM TO GROW

BROAD AND **DIVERSIFIED**

NOT EASILY REPLICATED AT A NATIONAL SCALE

WHY SHE SHOPS US...!

THE BARGAIN HUNT

Big Buys
and closeouts



THE TREASURE HUNT

Unique seasonal
and trend items



THE CONVENIENCE TRIP

Reliable assortment of
simple to shop essentials



SHIFTING OUR ASSORTMENT TO TWO THIRDS IN & OUT, FROM LESS THAN HALF TODAY

WHY SHE LOVES US...



EXCEPTIONAL VALUE

Limited time deals, off-price closeouts, Broyhill® & Real Living brands



SURPRISING PRODUCTS

Unique, quirky items, seasonal trends, nostalgic finds



EASY SHOPPING

True-omni channel offering, easy to navigate store/website, take home today, multiple payment types



DELIGHTFUL EXPERIENCE

Fun, colorful store, friendly associates, neighborhood feel

BUILDING A COMPELLING VALUE PROPOSITION



WHO WE ARE...



WHY SHE SHOPS US...

Bargain Hunt

Treasure Hunt

Convenience

WHY SHE LOVES US...

Exceptional
value

Surprising
products

Easy
shopping

Delightful
experience

HOW WE WIN...

Only multi-category
in-and-out merchant
with true national scale

Unique, emotionally
connected
brand experience

Unmatched
omnichannel
business in discount

ABOUT BIG LOTS

**OUR COMPETITIVE
ADVANTAGE**

OPERATION NORTH STAR

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**OPERATION NORTH STAR
IS OUR MULTI-YEAR
TRANSFORMATIONAL
GROWTH AND VALUE-
CREATION PLAN
LAUNCHED IN 2019**



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GROW

- Store count growth
- Sales productivity
- eCommerce acceleration
- Brand activation and customer growth

FUND

- Pricing and COGS program
- Promos and markdowns
- Shrink and loss reduction
- Structural expense reduction and leverage

ENABLE

- Supply chain investment
- Customer experience (stores & online)
- Talent and capabilities
- Data and technology

BIG LOTS!



**OUR VALUE-CREATION
OPPORTUNITY IS
UNDERPINNED BY...**

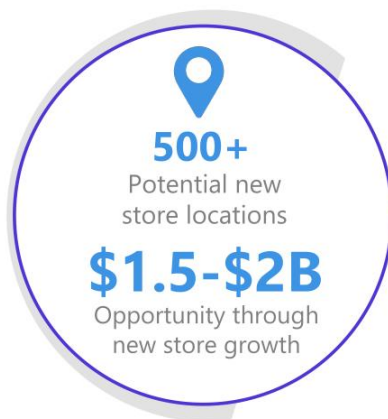
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- A Long **Runway for Growth**
- Significant **Margin Opportunity**
- **Consistent Cash Flow** Generation & Capital Return

And We Are Already Realizing **Many Quick Wins...**

BIG LOTS!

OUR RUNWAY FOR GROWTH...!



GROWING OUR STORE FOOTPRINT!

- **Returning to growth** after decade of flat store count
- **500+ opportunities** across established market fill-ins, rural/small town markets, and under-penetrated geographies
- Adding **50+ net new stores** in 2022 and accelerating after 2022 to **80+ per year**
- New stores delivering **accretive economics with EBITDA margins > 10% and IRRs > 20%**
- Store intervention program **successfully reducing closures**



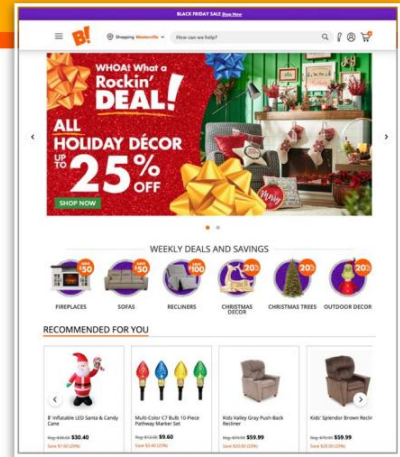
SALES PRODUCTIVITY DRIVERS !

- **Optimizing assortments**, through category discipline and space planning
- Rolling out our **Next Gen Furniture Sales** model to 500+ stores
- **Growing Furniture** with Broyhill®, modern assortments, and expanded distribution
- **Winning Seasonal** year-round
- Expanding our rapidly-growing **Apparel offering**
- Growing our **Owned Brands**
- **Driving innovation pipeline** with the Lot & Queue, Lots Under \$5, “Big Buys” and more



DRIVING eCOMM ACCELERATION !

- **Removing friction points** with enhanced search, easy checkout and financing options
- Increasing website **personalization**, including product best sellers and new arrivals
- Accelerating supplier direct fulfillment and **extending our aisle and assortment**
- **Growing site traffic** through targeted marketing and increased national presence
- Providing nationwide **same-day and 2-day** delivery options



BIG LOTS!

ACTIVATING OUR BRAND!

Continuing the breakthrough “Be A BIGionaire” ad campaign featuring new celebrity BIGionaires



- Creating a **community of bargain hunters** and **treasure seekers**
- **Driving incremental visits** from new and existing customers
- Increasing brand awareness, **consideration**, and purchasers
- Driving **personalized marketing** based on our customer data platform

SIGNIFICANT MARGIN OPPORTUNITY



Managed Rate Optimization

100-200 bps Gross Margin expansion through:

- Pricing and promotion optimization
- Space planning and per-store allocation
- Mix benefits
- Shrink and loss reduction
- COGS productivity
- Supply chain normalization

Low threshold for expense leverage:

- Variable expense flex only 5% to 8% of sales increase
- Ongoing structural SG&A savings opportunity

Accretive Strategic Growth

Accretive online growth through store fulfillment:

- BOPIS sales very profitable

Accretive new store economics:

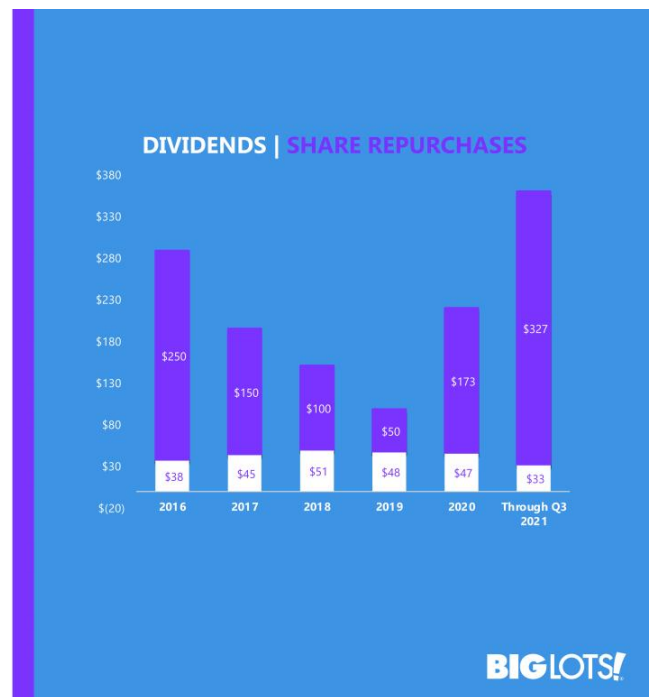
- EBITDA margins > 10% and ROIC > 20%
- New stores on average achieve chain productivity within two years

CONSISTENT CASH FLOW GENERATION AND CAPITAL RETURNS



- History of **strong free cash flow**
- **Over \$1 billion** returned to shareholders since 2016
- Capex spend achieving **ROIC well in excess of weighted-average cost of capital**
- Strong **capital allocation discipline**
- Excellent **liquidity access** and **debt-free balance sheet**

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BUILDING A SUPPLY CHAIN TO SUPPORT OUR GROWTH



- **Expanding Forward DC network** to support bulk product and increase speed to store
- **Modernizing supply chain technology** through investing in Transportation Management, End-to-End Supply Chain Visibility, and Order Management System
- **Enhancing eCommerce fulfillment:** expanding final mile carrier capabilities and ship from store network
- **Deploying 3PL "pop-up" bypass DCs:** creating flexible capacity



SUPPLY CHAIN NETWORK



BIG LOTS!

IMPROVING OUR CUSTOMER EXPERIENCE



- Over 37,000 associates that Bring their BIG! everyday, with **top quartile NPS**
- **Customer-centric focus** that provides a friendly, delightful shopping experience
- **Updating 800 stores** through Project Refresh to deliver a consistent and upgraded brand experience
- Upgrading signage, vestibules, flooring, wall graphics, painting, remodeling bathrooms
- **250 stores** to be refreshed by mid-2022

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WE HAVE A SEASONED AND AMBITIOUS MANAGEMENT TEAM BRINGING THIS ALL TOGETHER !



Bruce Thorn
President & CEO
Prior Experience: Tailored Brands, PetSmart,
GAP Inc.
Joined Big Lots: 2018



Eddie Burt
Supply Chain
Prior Experience: GNC, Home Depot,
PetSmart, Target
Joined Big Lots: 2019



Nick Padovano
Store Operations
Prior Experience: Lowe's, Hudson Bay
Company
Joined Big Lots: 2014



Shannon Letts
Real Estate
Prior Experience: Walton
Enterprises, Walmart
Joined Big Lots: 2021



Andrej Mueller
Strategy
Prior Experience: Boston Consulting Group
Joined Big Lots: 2019



Mike Schlonsky
Human Resources
Prior Experience: Schottenstein Zox
and Dunn
Joined Big Lots: 1993

WE HAVE A SEASONED AND AMBITIOUS MANAGEMENT TEAM BRINGING THIS ALL TOGETHER



Gurmeet Singh
Technology

Prior Experience: Al-Futtaim Group, Boston
Consulting Group, 7-Eleven
Joined Big Lots: 2021



Jonathan Ramsden
Finance

Prior Experience: Abercrombie & Fitch,
Omnicom Group Inc.
Joined Big Lots: 2019



Rocky Robins
Legal

Prior Experience: Vorys, Sater, Seymour and
Pease LLP, Abercrombie & Fitch
Joined Big Lots: 2015



Erica Fortune
eCommerce

Prior Experience: Express, The Limited,
Bath & Body Works, Abercrombie &
Fitch
Joined Big Lots: 2014



Joice Wirkus
Marketing

Prior Experience: PetSmart
Joined Big Lots: 2019



Jack Pestello
Merchandising

Prior Experience: Walmart, Woolworths,
Daymon Worldwide
Joined Big Lots: 2020

BIG LOTS!

ABOUT BIG LOTS

**OUR COMPETITIVE
ADVANTAGE**

OPERATION NORTH STAR

OUR FINANCIAL GOALS

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WE HAVE AMBITIOUS LONG-TERM FINANCIAL TARGETS



SALES
\$8-\$10B

Defined growth drivers

**OPERATING
MARGIN**
6%-8%

Gross margin expansion and
disciplined expense management

ROIC¹
20%-25%

Accretive investments and ongoing
return of capital

FUNDAMENTALS FOR ACHIEVING OUR LONG-TERM GOALS



SALES GROWTH

- Consistent low-single digit comparable sales growth
- Opening 80+ net new stores per year
- Growing eCommerce to over \$1 billion channel

OPERATING MARGIN IMPROVEMENT

- Driving gross margin expansion vs. 2021 through pricing and promotion optimization, new tools, COGS productivity, shrink, mix
- Expense leverage from growth and structural savings, net of additional growth investments

CAPITAL ALLOCATION DISCIPLINE

- Capital investment scaling to ~\$250 million per year
- Improving inventory efficiency
- Maintaining our dividend with annual reviews
- Continuing share repurchases to augment returns

BIG LOTS!



APPENDICES

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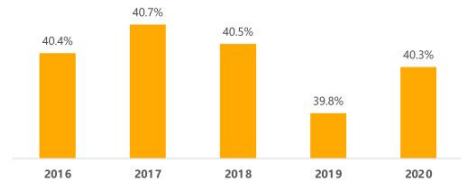
BIG LOTS!

HISTORIC FINANCIALS (\$ in millions except EPS)

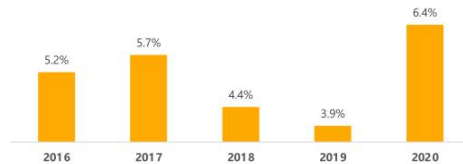
TOTAL SALES | COMPS



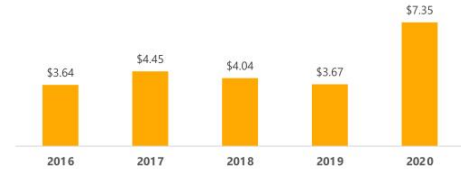
ADJUSTED GROSS MARGIN⁽¹⁾



ADJUSTED OPERATING MARGIN⁽¹⁾

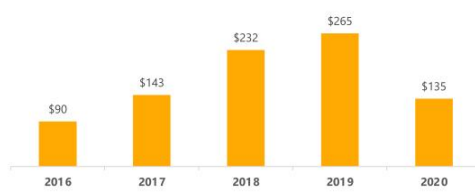


ADJUSTED EARNINGS PER SHARE⁽¹⁾

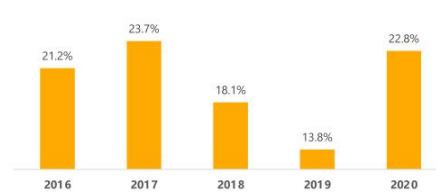


HISTORIC CAPITAL ALLOCATION (\$ in millions)

CAPITAL EXPENDITURES



RETURN ON INVESTED CAPITAL⁽¹⁾

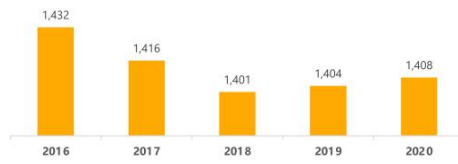


DIVIDENDS | SHARE REPURCHASES

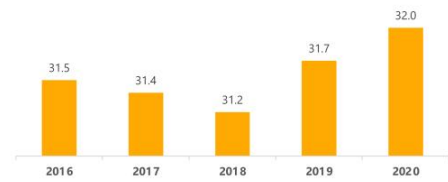


HISTORIC STORE INFORMATION

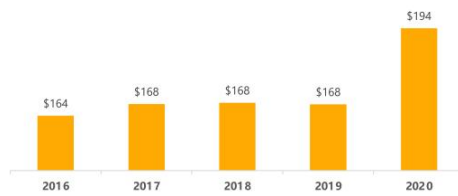
STORE COUNT



SQUARE FOOTAGE (IN MILLIONS)



SALES PER SELLING SQUARE FOOT



SUMMARY FINANCIAL HISTORY (NON-GAAP)

In thousands, except earnings per share	2016	2017 ⁽¹⁾	2018	2019	2020
Net Sales	\$ 5,193,995	\$ 5,264,362	\$ 5,238,105	\$ 5,323,180	\$ 6,199,186
Adjusted Gross Margin⁽¹⁾	\$ 2,099,419	\$ 2,142,442	\$ 2,121,895	\$ 2,120,732	\$ 2,497,386
Adjusted Gross Margin Rate⁽¹⁾	40.4%	40.7%	40.5%	39.8%	40.3%
Adjusted Operating Expenses⁽¹⁾⁽²⁾	\$ 1,827,473	\$ 1,844,089	\$ 1,892,868	\$ 1,912,802	\$ 2,099,935
Adjusted Operating Expense Rate⁽¹⁾⁽²⁾	35.2%	35.0%	36.1%	35.9%	33.9%
Adjusted Operating Profit⁽¹⁾	\$ 271,946	\$ 298,353	\$ 229,027	\$ 207,930	\$ 397,451
Adjusted Operating Profit Rate⁽¹⁾	5.2%	5.7%	4.4%	3.9%	6.4%
Adjusted Diluted Earnings per Share⁽¹⁾	\$ 3.64	\$ 4.45	\$ 4.04	\$ 3.67	\$ 7.35
Diluted Weighted Average Shares	45,974	43,300	40,962	39,351	39,067

⁽¹⁾Adjusted 2016 through 2020 results are non-GAAP financial measures. See slides 37-41 for a reconciliation of the reported GAAP results to the adjusted non-GAAP results.

⁽²⁾Operating Expenses are comprised of adjusted Selling and Administrative Expenses, Depreciation Expense, and Adjusted Gain on Sales of Distribution Centers.

⁽³⁾Fiscal 2017 was comprised of 53 weeks.

FISCAL 2016 GAAP TO NON-GAAP RECONCILIATION

	As Reported	Adjustment to exclude pension costs	Gain on sale of real estate	As Adjusted (non-GAAP)
Selling and administrative expenses	\$ 1,730,956	\$ (27,766)	\$ 3,823	\$ 1,707,013
Selling and administrative expense rate	33.3%	(0.5%)	0.1%	32.8%
Operating profit	248,003	27,766	(3,823)	271,946
Operating profit rate	4.8%	0.5%	(0.1%)	5.2%
Income tax expense	91,471	10,976	(1,412)	101,035
Effective income tax rate	37.4%	0.3%	(0.0%)	37.7%
Net income	152,828	16,790	(2,411)	167,207
Diluted earnings per share	\$ 3.32	\$ 0.37	\$ (0.05)	\$ 3.64

The above adjusted selling and administrative expenses, adjusted selling and administrative expense rate, adjusted operating profit, adjusted operating profit rate, adjusted income tax expense, adjusted effective income tax rate, adjusted net income, adjusted diluted earnings per share, and adjusted diluted earnings 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"); (1) all costs associated with the Company's pension plans, as the Company completed termination and distribution proceedings in 2016, which totaled \$27,766 (\$16,790, net of tax); (2) a pretax adjustment for a gain on the sale of real estate of \$3,823 (\$2,411, net of tax). The pension costs encompass all items associated with net periodic benefit costs, including curtailment and settlement charges, and professional fees associated with the plan and plan termination proceedings.

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.

FISCAL 2017 GAAP TO NON-GAAP RECONCILIATION

	As Reported	Adjustment to exclude gain on insurance recoveries	Impact on deferred taxes resulting from U.S. tax reform	As Adjusted (non-GAAP)
Selling and administrative expenses	\$ 1,723,996	\$ 3,000	\$ -	\$ 1,726,996
Selling and administrative expense rate	32.7%	0.1%	-	32.8%
Operating profit	301,353	(3,000)	-	298,353
Operating profit rate	5.7%	(0.1%)	-	5.7%
Income tax expense	105,522	(1,149)	(4,517)	99,856
Effective income tax rate	35.7%	(0.0%)	(1.5%)	34.2%
Net income	189,832	(1,851)	4,517	192,498
Diluted earnings per share	\$ 4.38	\$ (0.04)	\$ 0.10	\$ 4.45

The above adjusted selling and administrative expenses, adjusted selling and administrative expense rate, adjusted operating profit, adjusted operating profit rate, adjusted income tax expense, adjusted effective income tax rate, adjusted net income, and adjusted diluted earnings 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 GAAP (1) a pretax gain on insurance recoveries associated with merchandise-related legal matters of \$3,000 (\$1,851, net of tax); and (2) the impact to deferred taxes resulting from the U.S. Tax Cuts and Jobs Act of 2017 of \$4,517.

FISCAL 2018 GAAP TO NON-GAAP RECONCILIATION

	As Reported	Adjustment to exclude CEO retirement costs	Adjustment to exclude shareholder litigation matter	As Adjusted (non-GAAP)
Selling and administrative expenses	\$ 1,778,416	\$ (7,018)	\$ (3,500)	\$ 1,767,898
Selling and administrative expense rate	34.0%	(0.1%)	(0.1%)	33.8%
Operating profit	218,509	7,018	3,500	229,027
Operating profit rate	4.2%	0.1%	0.1%	4.4%
Income tax expense	50,719	895	879	52,493
Effective income tax rate	24.4%	(0.4%)	(0.0%)	24.1%
Net income	156,894	6,123	2,621	165,638
Diluted earnings per share	\$ 3.83	\$ 0.15	\$ 0.06	\$ 4.04

The above adjusted selling and administrative expenses, adjusted selling and administrative expense rate, adjusted operating profit, adjusted operating profit rate, adjusted income tax expense, adjusted effective income tax rate, adjusted net income, and adjusted diluted earnings 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") (1) the costs associated with the retirement of our former CEO of \$7,018 (\$6,123, net of tax); and (2) a pretax charge related to the settlement in principle of shareholder litigation matters of \$3,500 (\$2,621, net of tax).

FISCAL 2019 GAAP TO NON-GAAP RECONCILIATION

	As Reported	Impact to exclude department exit inventory impairment	Impact to exclude transformational restructuring costs	Adjustment to exclude legal settlement loss contingencies	Adjustment to exclude gain on sale of distribution center	As Adjusted (non- GAAP)
Gross margin	\$ 2,114,682	\$ 6,050	\$ -	\$ -	\$ -	\$ 2,120,732
Gross margin rate	39.7%	0.1%	-	-	-	39.8%
Selling and administrative expenses	1,823,409	-	(38,338)	(7,250)	-	1,777,821
Selling and administrative expense rate	34.3%	-	(0.7%)	(0.1%)	-	33.4%
Gain on sale of distribution center	(178,534)	-	-	-	178,534	-
Gain on sale of distribution center rate	(3.4%)	-	-	-	3.4%	-
Operating profit	334,826	6,050	38,338	7,250	(178,534)	207,930
Operating profit rate	6.3%	0.1%	0.7%	0.1%	(3.4%)	3.9%
Income tax expense	75,084	1,553	9,836	1,696	(41,930)	46,239
Effective income tax rate	23.6%	0.0%	0.1%	(0.0%)	0.6%	24.3%
Net income	242,464	4,497	28,502	5,554	(136,604)	144,413
Diluted earnings per share	\$ 6.16	\$ 0.11	\$ 0.72	\$ 0.14	\$ (3.47)	\$ 3.67

The above adjusted gross margin, adjusted gross margin rate, adjusted selling and administrative expenses, adjusted selling and administrative expense rate, adjusted gain on sale of distribution center rate, adjusted operating profit, adjusted operating profit rate, adjusted income tax expense, adjusted effective income tax rate, adjusted net income, and adjusted diluted earnings 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") (1) an inventory impairment amount of \$6,050 (\$4,497, net of tax) as a result of a merchandise department exit; (2) the costs associated with a transformational restructuring initiative of \$38,338 (\$28,502, net of tax); (3) a pretax charge related to estimated legal settlement of employee class actions of \$7,250 (\$5,554, net of tax); and (4) a gain resulting from the sale of our Rancho Cucamonga, California distribution center of \$178,534 (\$136,604, net of tax).

FISCAL 2020 GAAP TO NON-GAAP RECONCILIATION

	As Reported	Adjustment to exclude gain on sale of distribution centers and related expenses	As Adjusted (non-GAAP)
Selling and administrative expenses	\$ 1,965,555	\$ (3,956)	\$ 1,961,599
Selling and administrative expense rate	31.7%	(0.1%)	31.6%
Gain on sale of distribution centers	(463,053)	463,053	-
Gain on sale of distribution centers rate	(7.5%)	7.5%	-
Operating profit	856,548	(459,097)	397,451
Operating profit rate	13.8%	(7.4%)	6.4%
Income tax expense	215,415	(117,194)	98,221
Effective income tax rate	25.5%	(0.0%)	25.5%
Net income	629,191	(341,903)	287,288
Diluted earnings per share	\$ 16.11	\$ (8.75)	\$ 7.35

The above adjusted selling and administrative expenses, adjusted selling and administrative expense rate, adjusted gain on sale of distribution centers, adjusted gain on sale of distribution centers rate, adjusted operating profit, adjusted operating profit rate, adjusted income tax expense, adjusted effective income tax rate, adjusted net income, and adjusted diluted earnings 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") a gain resulting from the sale of our Columbus, OH; Durant, OK; Montgomery, AL; and Tremont, PA distribution centers and the related expenses of \$459,097 (\$341,903, net of tax).

PRESS RELEASE
FOR IMMEDIATE RELEASE

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BIG LOTS PROVIDES LONG-TERM GROWTH AND MARGIN OUTLOOK AND Q4 BUSINESS UPDATE

COMPANY ANNOUNCES COMPLETION OF APPROXIMATELY \$70 MILLION OF SHARE REPURCHASES QUARTER-TO-DATE

COMPANY PROVIDES UPDATED INVESTOR PRESENTATION IN CONNECTION WITH ITS PARTICIPATION IN THE ICR CONFERENCE ON TUESDAY JANUARY 11TH

FOR INVESTOR PRESENTATION, PLEASE VISIT: <https://www.biglots.com/corporate/investors>

Columbus, Ohio -- January 10, 2022 -- Big Lots, Inc. (NYSE: BIG) today provided a long-range growth and margin outlook detailing a significant value-creation opportunity over the coming years. Details of the company's long-term outlook are available in an updated investor presentation available through the company's website and include:

- A sales goal of \$8 to \$10 billion driven by approximately 500 net store openings, merchandise sales productivity initiatives, and continued ecommerce growth
- An operating margin goal of 6% to 8% driven by gross margin improvement and expense leverage
- A Return on Invested Capital goal of 20% to 25%

Commenting on the company's long-term goals, Bruce Thorn, President and CEO of Big Lots stated, "We are highly confident that Operation North Star has put us on track to create tremendous long-term value for shareholders, and that we now have the visibility to provide a long-term financial outlook. We see a clear and long runway for growth ahead of us, coupled with the opportunity to drive returns through margin expansion and judicious capital allocation. We have all of the foundations in place to accomplish this, including a seasoned and ambitious team, new tools and technologies, and a proven pipeline of innovation. We will do all of this by accomplishing our mission to help our customer Live BIG and Save Lots!"

The company also provided an update on results for the fourth quarter of fiscal 2021. Through the end of fiscal December, the company's performance was at the upper end of its expectations. On a quarter-to-date basis through the end of fiscal December, the company achieved a two-year comparable sales increase of approximately 9%.



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Since early January, the company has seen a softening of traffic and sales trends which it believes, in addition to adverse weather conditions, has been significantly driven by the rapid spread of the Omicron strain of Covid-19 and its impact on consumer behavior. Based on a continuation of current trends, the company would expect to achieve a flat to low-single-digit percentage two-year comparable sales increase for fiscal January, below prior expectations, and resulting in diluted EPS for the quarter in the range of \$1.80 to \$1.95.

The company also announced that, for the quarter-to-date, it has repurchased approximately 1.6 million shares for an aggregate amount of approximately \$70 million. The company has approximately \$180 million remaining available under a \$250 million share repurchase authorization approved by its Board of Directors on December 1, 2021.

Commenting on the fourth quarter, Bruce Thorn added, “We are pleased with our holiday performance, with two-year comps for fiscal November and December running up 9%. Our outstanding team has worked tirelessly to offset headwinds from the global supply chain to ensure our customer would find what she wanted in our stores and online. While the Omicron variant creates some near-term challenges, we look forward to rounding out another very successful year for the company. Meanwhile, we are pleased to have continued to return capital to shareholders through share repurchases.”

As previously announced, the company will be participating in the 2022 ICR Conference, which will be a virtual event this year. Bruce Thorn, President and CEO of Big Lots, Jonathan Ramsden, Executive Vice President, Chief Financial & Administrative Officer, and Jack Pestello, Executive Vice President, Chief Merchandising Officer, are scheduled to participate in a fireside chat on Tuesday, January 11, 2022, which will be broadcast live beginning at approximately 10:30 AM Eastern Time. Related to its participation in the conference, the company has posted an updated Investor Presentation to its corporate website: <https://www.biglots.com/corporate/investors>.

For information regarding registration and participation in the conference, please visit <https://icrconference.com>. Additionally, an audio only live webcast of the fireside chat will be available through the Investor Relations section of the company’s website at <https://www.biglots.com/corporate/investors/>.

If you are unable to join the live webcast, an archive will be available at <https://www.biglots.com/corporate/investors/> on January 11, at and will remain available through midnight, January 21, 2022.

About Big Lots, Inc.

Headquartered in Columbus, Ohio, Big Lots, Inc. (NYSE: BIG) is a neighborhood discount retailer and a Fortune 500 company, operating 1,431 stores in 47 states, as well as a best-in-class ecommerce platform with expanded capabilities via BOPIS, curbside pickup, Instacart and same day delivery. The company’s product assortment is focused on home essentials: Furniture, Seasonal, Soft Home, Food, Consumables and Hard Home. Ranked one of the fastest-growing eCommerce businesses by Digital Commerce 360 and the recipient of Home Textiles Today’s 2021 Retail Titan Award, Big Lots’ mission is to help people Live BIG and Save Lots. The company strives to be the BIG difference for a better life by delivering exceptional value to customers through the ultimate treasure hunt shopping experience, building a “best places to grow” culture, rewarding shareholders with consistent growth and top-tier returns, and doing good in local communities. For more information about the company, visit [biglots.com](https://www.biglots.com).

Cautionary Statement Concerning Forward-Looking Statements

Certain statements in this release 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,” “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 objectives, strategies, plans, goals or targets are also forward-



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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 the company believes the expectations expressed in forward-looking statements are based on reasonable assumptions within the bounds of knowledge, forward-looking statements, by their nature, involve risks, uncertainties and other factors, any one or a combination of which could materially affect business, financial condition, results of operations or liquidity.

Forward-looking statements that the company makes 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 coronavirus pandemic, current economic and credit conditions, the cost of goods, the inability to successfully execute strategic initiatives, competitive pressures, economic pressures on customers and the company, the availability of brand name closeout merchandise, trade restrictions, freight costs, the risks discussed in the Risk Factors section of the company's most recent Annual Report on Form 10-K, and other factors discussed from time to time in other filings with the SEC, including Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. This release 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 thereof. The company undertakes 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 the company makes on related subjects in public announcements and SEC filings.



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