WE HELP YOU MAKE IT®

Fiscal Fourth Quarter and Full Year 2023 Results

February 15, 2024

Disclaimer Page

Cautionary Statements Regarding Forward-Looking Information

Statements in this presentation which are not historical in nature are “forward-looking statements” within the meaning of the federal securities laws. These statements often include words such as “believe,” “expect,” “project,” “anticipate,” “intend,” “plan,” “outlook,” “estimate,” “target,” “seek,” “will,” “may,” “would,” “should,” “could,” “forecast,” “mission,” “strive,” “more,” “goal,” or similar expressions (although not all forward-looking statements may contain such words) and are based upon various assumptions and our experience in the industry, as well as historical trends, current conditions, and expected future developments. However, you should understand that these statements are not guarantees of performance or results and there are a number of risks, uncertainties and other important factors, many of which are beyond our control, that could cause our actual results to differ materially from those expressed in the forward-looking statements, including, among others: economic factors affecting consumer confidence and discretionary spending and reducing the consumption of food prepared away from home; cost inflation/deflation and commodity volatility; competition; reliance on third party suppliers and interruption of product supply or increases in product costs; changes in our relationships with customers and group purchasing organizations; our ability to increase or maintain the highest margin portions of our business; achievement of expected benefits from cost savings initiatives; increases in fuel costs; changes in consumer eating habits; cost and pricing structures; the impact of climate change or related legal, regulatory or market measures; impairment charges for goodwill, indefinite-lived intangible assets or other long-lived assets; the impact of governmental regulations; product recalls and product liability claims; our reputation in the industry; labor relations and increased labor costs and continued access to qualified and diverse labor; indebtedness and restrictions under agreements governing our indebtedness; interest rate increases; disruption of existing technologies and implementation of new technologies; cybersecurity incidents and other technology disruptions; risks associated with intellectual property, including potential infringement; effective consummation of pending acquisitions and effective integration of acquired businesses; potential costs associated with shareholder activism; changes in tax laws and regulations and resolution of tax disputes; certain provisions in our governing documents; health and safety risks to our associates and related losses; adverse judgments or settlements resulting from litigation; extreme weather conditions, natural disasters and other catastrophic events; and management of retirement benefits and pension obligations.

For a detailed discussion of these risks, uncertainties and other factors that could cause our actual results to differ materially from those anticipated or expressed in any forward-looking statements, see the section entitled “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended December 30, 2023. Additional risks and uncertainties are discussed from time to time in current, quarterly and annual reports filed by the Company with the SEC, which are available on the SEC's website at www.sec.gov. Additionally, we operate in a highly competitive and rapidly changing environment; new risks and uncertainties may emerge from time to time, and it is not possible to predict all risks nor identify all uncertainties. The forward-looking statements contained in this presentation speak only as of the date of this presentation and are based on information and estimates available to us at this time. We undertake no obligation to update or revise any forward-looking statements, except as may be required by law.

Non-GAAP Financial Measures

We report our financial results in accordance with U.S. generally accepted accounting principles (“GAAP”). However, this presentation includes the following non-GAAP financial measures: Adjusted Gross profit, Adjusted Operating expenses, EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Net income, Adjusted Diluted Earnings Per Share (EPS), Net Debt and Net Leverage Ratio. These non-GAAP financial measures exclude the impact of certain items and, therefore, have not been calculated in accordance with GAAP. We caution readers that our definition of these non-GAAP financial measures may not be calculated in the same manner as similar measures used by other companies. Reconciliations of these non-GAAP financial measures to the most comparable GAAP financial measures are included in the Appendix to this presentation.

Please note that the Company is not providing a reconciliation of certain forward-looking non-GAAP financial measures, including Adjusted EBITDA and Adjusted Diluted EPS, because the Company is unable to predict with reasonable certainty the financial impact of certain significant items, including restructuring costs and asset impairment charges, share-based compensation expenses, non-cash impacts of LIFO reserve adjustments, losses on extinguishments of debt, business transformation costs, other gains and losses, business acquisitions and integration related costs, and diluted earnings per share. These items are uncertain, depend on various factors, and could have a material impact on GAAP reported results for the guidance period. For the same reasons, the Company is unable to address the significance of the unavailable information, which could be material to future results.

Focused Execution Driving Continued Growth and Strong Financial Performance

1 **Generated record $1.56 billion in full year Adjusted EBITDA driven by execution of strategic initiatives propelling profitable growth and operating leverage improvement**

2 **Advanced our customer value proposition through our differentiated team-based selling model and industry leading digital offering which drove healthy case growth in our target customer types**

3 **Deployed strong operating cash flow to reduce net leverage into target range, repurchase shares and complete accretive tuck-in acquisitions**

Our Four-Pillar Strategy Drives Value Creation

CULTURE
EMBRACE THE US FOODS® CULTURE

SAFE
SUPPORTIVE
RESPONSIBLE

SERVICE
DELIVER WORLD-CLASS SERVICE

RELIABLE
EFFICIENT
EASY-TO-USE

GROWTH
GROW MARKET SHARE

TARGET
DIFFERENTIATE
BE FRESH

PROFIT
EXPAND EBITDA MARGIN

MARGIN
PRODUCTIVITY
OPTIMIZATION

Significant Achievements Against our Strategy in 2023

CULTURE Embrace the US Foods® culture	**SAFE** Improved safety performance by 23% across the organization	**SUPPORTIVE** Donated more than $13 million in food and supplies	**RESPONSIBLE** Completed delivery of nearly 100 alternative fuel and electric vehicles
SERVICE Deliver world-class service	**RELIABLE** Improved customer service levels to in line with pre-Covid	**EFFICIENT** Drove more than 5% improvement in cases per mile via routing initiatives	**EASY-TO-USE** Drove record Independent digital penetration of 73%, total company of 84%
GROWTH Grow market share	**TARGET** Grew Independent Restaurant volume 7%, Healthcare 7% and Hospitality 9%	**DIFFERENTIATE** Leveraged team-based selling model and industry leading digital offering	**BE FRESH** Drove Scoop product portfolio focused on innovation and labor cost savings
PROFIT Expand EBITDA margin	**MARGIN** Achieved record Adjusted EBITDA of $1.56 billion and expanded margin 53 bps	**PRODUCTIVITY** Delivered more than 5% improvement in both delivery and warehouse productivity	**OPTIMIZATION** Generated savings via cost of goods sold and indirect spend initiatives

Fiscal Fourth Quarter and Full Year 2023 Financial Review

Dirk Locascio

Chief Financial Officer

GREAT FOOD. MADE EASY.™

US FOODS

Delivered Strong Earnings Growth and Margin Expansion

	Q4 2023	B/(W) vs. Q4 2022	FY 2023	B/(W) vs. FY 2022
Total Case Volume		+5.6%		+4.4%
Independent Restaurant Case Volume(1)		+7.3%		+6.9%
Net Sales ($millions)	$8,936	+4.9%	$35,597	+4.5%
Adjusted EBITDA(2) ($millions)	$388	+10.9%	$1,559	+19.0%
Adjusted EBITDA Margin(2)	4.3%	+23 bps	4.4%	+53 bps
Adjusted Diluted EPS(2)	$0.64	+16.4%	$2.63	+22.9%

(1) Independent restaurant case volume is for the Company's broadline business and excludes impact from CHEF'STORE, which is now recorded as "All Other" case volume. Prior periods have been revised to conform with the current presentation.

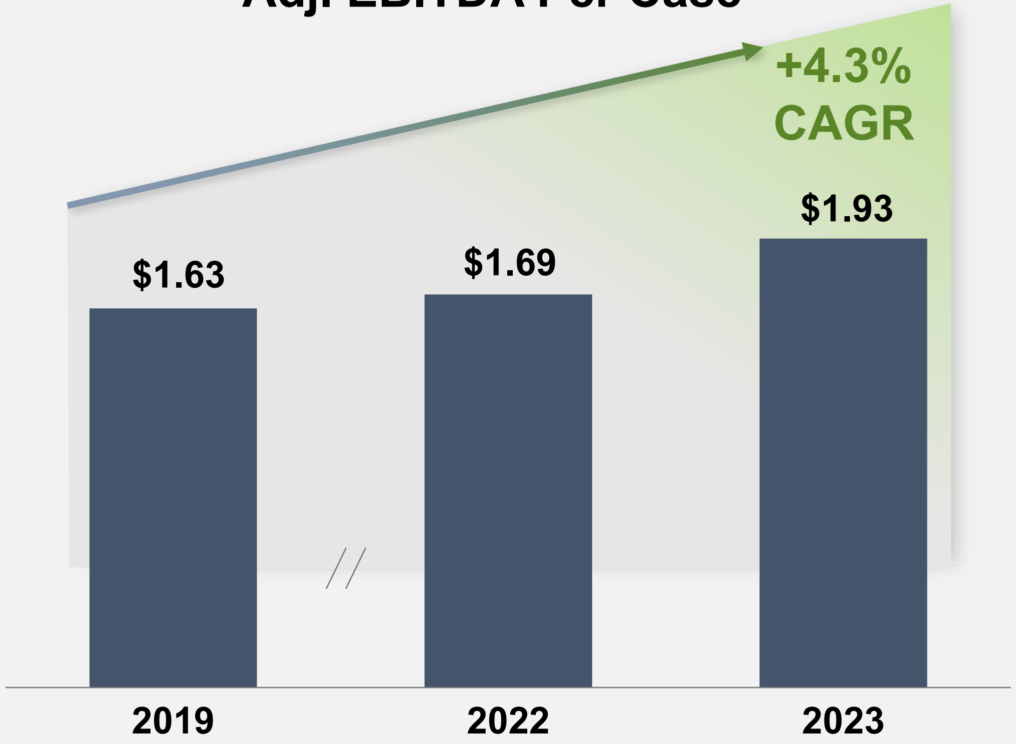
(2) Reconciliations of these non-GAAP measures are provided in the Appendix.

Drove Adjusted EBITDA Improvement via Strong Execution

Adj. Gross Profit Per Case[1]

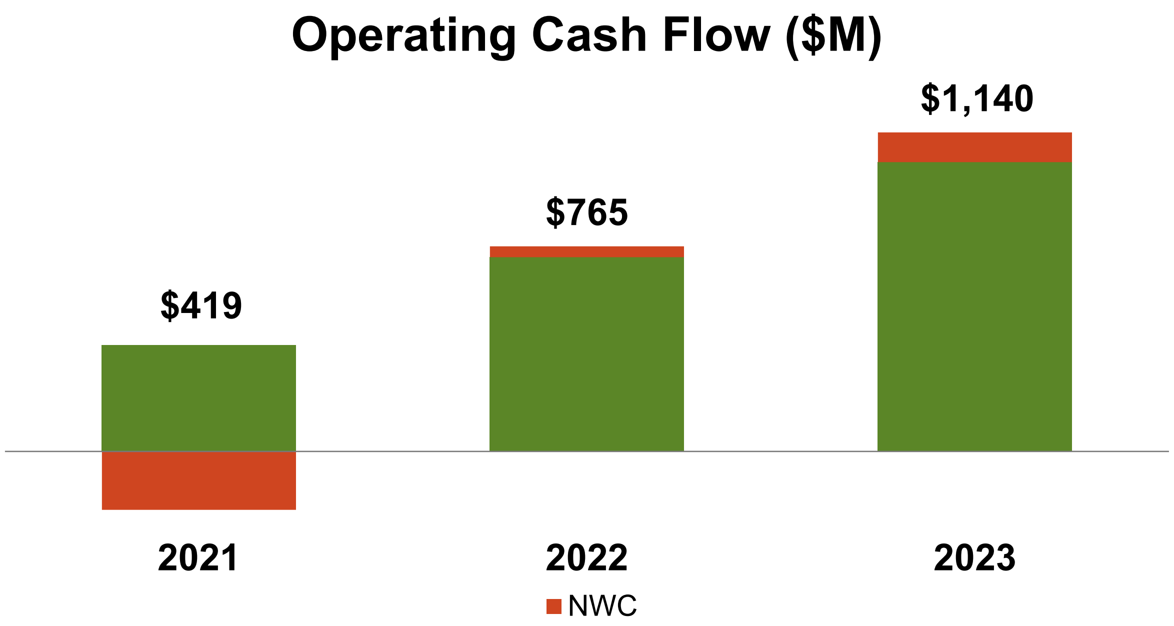
Adj. OpEx Per Case[1]

Adj. EBITDA Per Case[1]



(1) Reconciliations of these non-GAAP measures are provided in the Appendix.

Strong Operating Cash Flow Creates Flexibility to Deploy Capital Strategically to Enable Growth and Strengthen Capital Structure



Operating Cash Flow less change in Net Working Capital[1]		
2021	2022	2023
$649	$722	$1,023

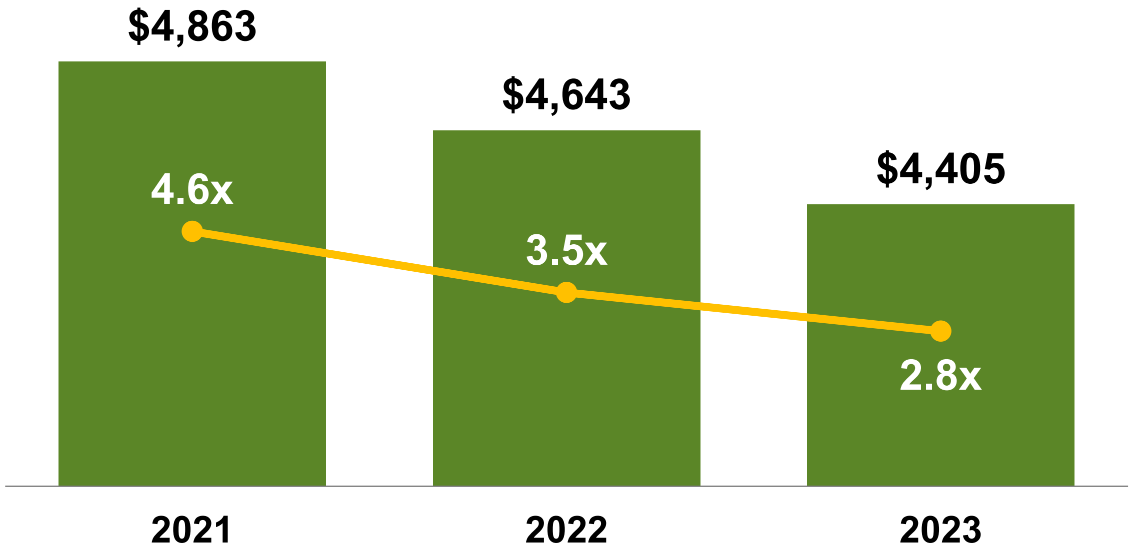
Capital Allocation Priorities

1. Invest in the business
2. Maintain leverage within target range
3. Return capital to shareholders
4. Pursue accretive tuck-in M&A

(1) Net Working Capital (NWC) defined as changes in operating assets and liabilities as shown in the Consolidated Statements of Cash Flows.

Further Strengthened Capital Structure Through Reduced Leverage

Net Debt ($M) and Net Leverage[1]



0.7x Net Leverage Ratio Reduction vs. 2022

Strong Progress in 2023

- Balanced capital structure through measured actions taken during year
- Achieved net leverage target of 2.5 – 3.0x
- Continued progress on debt paydown; Repaid $205 million on Term Loans
- Extended debt term-structure; no debt maturities until 2026

(1) Reconciliations of these non-GAAP measures are provided in the Appendix.

Fiscal 2024 Guidance and Modeling Assumptions

Fiscal 2024 Guidance	
Net Sales	$37.5B to $38.5B
Adjusted EBITDA[1]	$1.69B to $1.74B
Adjusted Diluted EPS[1]	$3.00 to $3.20

Modeling Assumptions	
Case Growth[2]	4.0% to 6.0%
Sales Inflation	0.5% to 1.5%
Depreciation & Amortization	$400M to $440M
Interest Expense	$320M to $335M
Tax Rate	~26%
Cash CapEx	$325M to $375M

(1) Non-GAAP financial measures. Refer to the Disclaimer Page on slide 2 for information about forward-looking non-GAAP measures.

(2) Includes approximately 2 percentage points of contribution from M&A.

Invest with US Foods

1. Leader in a highly fragmented and resilient industry with national scale; U.S only business serving a diverse customer base
2. Sustainable competitive advantages to drive market outperformance; well-positioned to win in any macro environment
3. Executing Long-Range Plan initiatives to drive growth and profitability, enabling further strengthening of capital structure
4. Forefront of technology with our MOXē platform and digital strategy
5. Continued strengthening of financial results and balance sheet provide flexibility for long-term growth and a focus on delivering compounded shareholder value

SAVE THE DATE

INVESTOR DAY

JUNE 5, 2024

US FOODS HQ

ROSEMONT, ILLINOIS

Appendix:

Fiscal Fourth Quarter and Full Year 2023 Summary

Non-GAAP Reconciliations

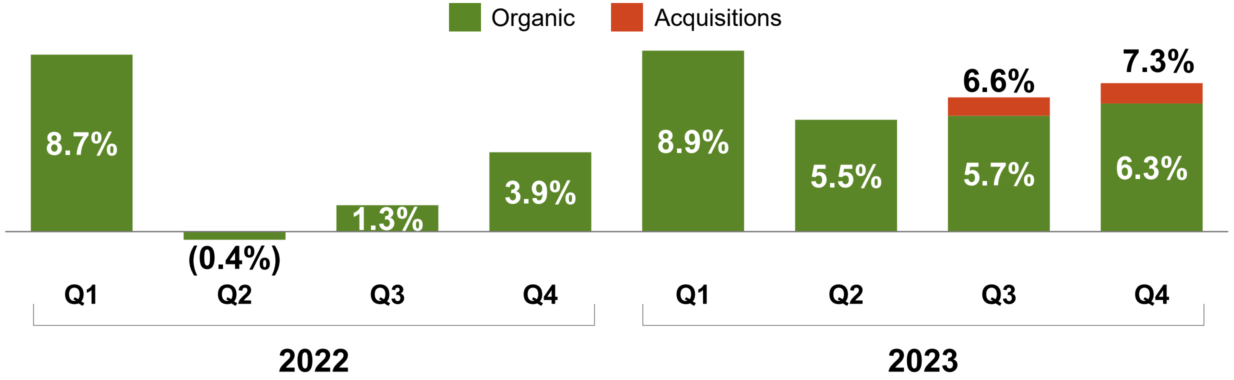
Quarterly Case Volume Trend vs. Prior Year

Organic Case Growth by Quarter[1]

YOY percent change

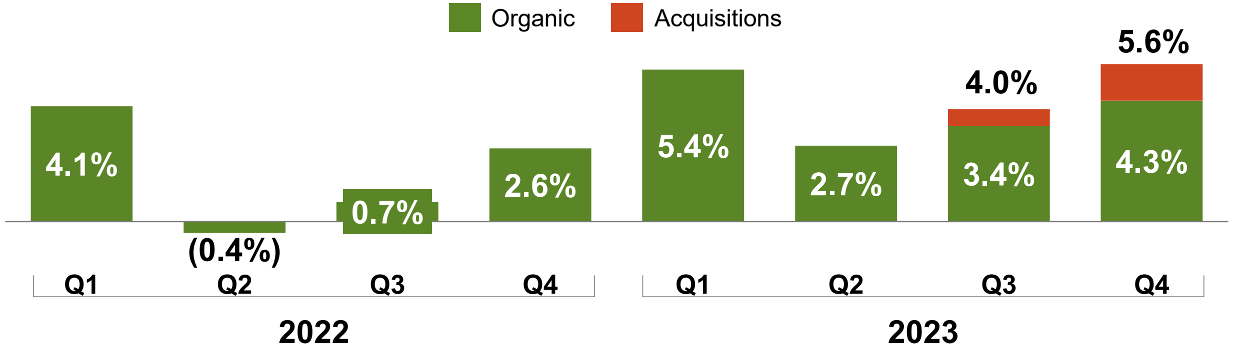
Independent Restaurant Case Growth[1]

YOY percent change for total and organic cases



Total Case Growth

YOY percent change for total and organic cases



(1) Independent restaurant case volume is for the Company's broadline business and excludes impact from CHEF'STORE, which is now recorded as "All Other" case volume. Prior periods have been revised to conform with the current presentation.

Debt Summary

($ in millions)	Maturity	Interest Terms	Interest Rates as of December 30, 2023	Carrying Value as of December 30, 2023	Carrying Value as of December 31, 2022
ABL Facility	December 7, 2027		8.50%	-	-
2019 Incremental Term Loan Facility (net of $11 and $19 of unamortized deferred financing costs, respectively)	September 13, 2026	SOFR + 2.11%	7.47%	$1,105	$1,232
2021 Incremental Term Loan Facility (net of $3 and $6 of unamortized deferred financing costs, respectively)	November 22, 2028	SOFR + 2.61%	7.97%	$718	$786
Total Floating Rate Debt				**$1,823**	**$2,018**
Secured Senior Notes due 2025 (net of $0 and $7 of unamortized deferred financing costs, respectively)	April 15, 2025		6.25%	-	$993
Unsecured Senior Notes due 2028 (net of $5 and $0 of unamortized deferred financing costs, respectively)	September 15, 2028		6.88%	$495	-
Unsecured Senior Notes due 2029 (net of $6 and $7 of unamortized deferred financing costs, respectively)	February 15, 2029		4.75%	$894	$893
Unsecured Senior Notes due 2030 (net of $4 and $4 of unamortized deferred financing costs, respectively)	June 1, 2030		4.63%	$496	$496
Unsecured Senior Notes due 2032 (net of $5 and $0 of unamortized deferred financing costs, respectively)	January 15, 2032		7.25%	$495	-
Obligations under financing leases	2023-2037		1.26%-8.31%	$463	$446
Other Debt	January 1, 2031		5.75%	$8	$8
Total Fixed Rate				**$2,851**	**$2,836**
Total Debt				**$4,674**	**$4,854**
Less: Cash				($269)	($211)
Net Debt[(1)]				**$4,405**	**$4,643**
Net Debt Leverage Ratio[(1)]				**2.8x**	**3.5x**
% Floating Rate[(2)]				**30%**	**42%**

- Achieved net leverage target of 2.5 - 3.0x
- Repaid $205M in 2023 on 2019 and 2021 Incremental Term Loans
- Refinanced 2025 Senior Secured Notes and extended debt term structure
- Lowered interest rate margin on 2021 Incremental Term Loan by 25 basis points
- SOFR was 5.34% as of December 30, 2023
- 2-year 5% interest rate caps on $450M of notional value against term loans[(3)]
- A 100 bps increase in SOFR would result in ~$14M additional interest expense and ($0.04) reduction in Adjusted Diluted EPS[(1)]

(1) Reconciliations of these non-GAAP measures are provided in this Appendix
(2) Floating Rate % includes the impact of interest rate caps
(3) The Company's maximum exposure to the variable component of interest will be 5% on the notional amount covered by interest rate caps

Fourth Quarter Financial Performance

($ in millions, except per share data)	Reported (unaudited)			Adjusted[1] (unaudited)		
	13 Weeks Ended			13 Weeks Ended		
	December 30, 2023	December 31, 2022	Change	December 30, 2023	December 31, 2022	Change
Case Volume			5.6%			
Net Sales	$8,936	$8,515	4.9%			
Gross Profit	$1,590	$1,454	9.4%	$1,547	$1,458	6.1%
% of Net Sales	17.8%	17.1%	72 bps	17.3%	17.1%	19 bps
Operating Expenses	$1,312	$1,258	4.3%	$1,161	$1,114	4.2%
% of Net Sales	14.7%	14.8%	(9 bps)	13.0%	13.1%	(9 bps)
Net Income	$147	$93	58.1%	$160	$138	15.9%
Diluted EPS[2]	$0.59	$0.37	59.5%	$0.64	$0.55	16.4%
Adjusted EBITDA				**$388**	**$350**	**10.9%**
Adjusted EBITDA Margin[3]				**4.3%**	**4.1%**	**23 bps**

Note: Figures may not foot due to rounding.

(1) Reconciliations of these non-GAAP measures are provided in this Appendix.

(2) GAAP Diluted EPS calculated using net income available to common shareholders. Adjusted Diluted EPS is calculated as Adjusted net income divided by Non-GAAP weighted average diluted shares outstanding.

(3) Represents Adjusted EBITDA as a percentage of Net Sales.

Full Year 2023 Financial Performance

($ in millions, except per share data)	Reported (unaudited)			Adjusted(1) (unaudited)		
	Year Ended			Year Ended		
	December 30, 2023	December 31, 2022	Change	December 30, 2023	December 31, 2022	Change
Case Volume			4.4%			
Net Sales	$35,597	$34,057	4.5%			
Gross Profit	$6,148	$5,492	11.9%	$6,147	$5,639	9.0%
% of Net Sales	17.3%	16.1%	115 bps	17.3%	16.6%	71 bps
Operating Expenses	$5,131	$4,898	4.8%	$4,594	$4,351	5.6%
% of Net Sales	14.4%	14.4%	3 bps	12.9%	12.8%	13 bps
Net Income	$506	$265	90.9%	$658	$538	22.3%
Diluted EPS(2)	$2.02	$1.01	100.0%	$2.63	$2.14	22.9%
Adjusted EBITDA				**$1,559**	**$1,310**	**19.0%**
Adjusted EBITDA Margin(3)				**4.4%**	**3.8%**	**53 bps**

Note: Figures may not foot due to rounding.

(1) Reconciliations of these non-GAAP measures are provided in this Appendix.

(2) GAAP Diluted EPS calculated using net income available to common shareholders. Adjusted Diluted EPS is calculated as Adjusted net income divided by Non-GAAP weighted average diluted shares outstanding.

(3) Represents Adjusted EBITDA as a percentage of Net Sales.

Non-GAAP Reconciliation – Adjusted Gross Profit per Case, Adjusted OpEx per Case, Adjusted EBITDA per Case

	Adjusted[1] (unaudited)		
	52 Weeks Ended		
(Total cases and $ in millions, except per case data)	**December 30, 2023**	**December 31, 2022**	**December 31, 2019**
Total Cases	807	773	733
Adjusted GP	$6,147	$5,639	$4,609
Adjusted GP / Case	$7.62	$7.29	$6.29
Adjusted OPEX	$4,594	$4,351	$3,423
Adjusted OPEX / Case	$5.69	$5.63	$4.67
Adjusted EBITDA	$1,559	$1,310	$1,194
Adjusted EBITDA / Case	$1.93	$1.69	$1.63

(1) Reconciliations of these non-GAAP measures are provided in this Appendix.

Non-GAAP Reconciliation – Adjusted Gross Profit and Adjusted Operating Expenses

($ in millions)	13 Weeks Ended (unaudited) December 30, 2023	13 Weeks Ended (unaudited) December 31, 2022	52 Weeks Ended (unaudited) December 30, 2023	52 Weeks Ended (unaudited) December 31, 2022	52 Weeks Ended (unaudited) December 28, 2019
Gross profit (GAAP)	**$1,590**	**$1,454**	**$6,148**	**$5,492**	**$4,587**
LIFO reserve adjustment[(1)]	(43)	4	(1)	147	22
Adjusted Gross Profit (Non-GAAP)	**$1,547**	**$1,458**	**$6,147**	**$5,639**	**$4,609**
Operating Expenses (GAAP)	**$1,312**	**$1,258**	**$5,131**	**$4,898**	**$3,888**
Adjustments:					
Depreciation expense	(93)	(87)	(349)	(327)	(311)
Amortization expense	(12)	(12)	(46)	(45)	(51)
Restructuring costs and asset impairment charges[(2)]	(12)	(12)	(14)	(12)	-
Share-based compensation expense[(3)]	(13)	(11)	(56)	(45)	(32)
Business transformation costs[(4)]	(12)	(11)	(28)	(52)	(9)
Business acquisition and integration related costs and other[(5)]	(9)	(11)	(44)	(66)	(62)
Adjusted Operating expenses (Non-GAAP)	**$1,161**	**$1,114**	**$4,594**	**$4,351**	**$3,423**

(1) – (5) footnotes located on next slide

Non-GAAP Reconciliation – Adjusted Gross Profit and Adjusted Operating Expenses

1. Represents the impact of LIFO reserve adjustments.
2. Consists primarily of non-CEO severance and related costs associated with organizational realignment and other impairment charges.
3. Share-based compensation expense for expected vesting of stock awards and employee stock purchase plan.
4. Transformational costs represent non-recurring expenses prior to formal launch of strategic projects with anticipated long-term benefits to the Company. These costs generally relate to third party consulting and non-capitalizable construction or technology. For the 13 weeks and 52 weeks ended December 30, 2023, business transformation costs related to projects associated with information technology infrastructure initiatives. For the 13 weeks and 52 weeks ended December 31, 2022, business transformation costs consist of new facility openings, supply chain strategy improvements, and information technology infrastructure initiatives. For the 52 weeks ended December 28, 2019, business transformation costs consist primarily of costs related to significant process and systems redesign across multiple functions.
5. Includes: (i) aggregate acquisition and integration related costs of $9 million and $5 million for the 13 weeks ended December 30, 2023 and December 31, 2022, respectively and $41 million and $22 million for fiscal year 2023 and fiscal year 2022, respectively; (ii) contested proxy and related legal and consulting costs of $21 million for fiscal year 2022; (iii) CEO severance of $5 million for fiscal year 2022; and (iv) other gains, losses or costs that we are permitted to add back for purposes of calculating Adjusted EBITDA under certain agreements governing our indebtedness. For the 52 weeks ended December 28, 2019, includes Food Group acquisition-related costs of $52 million and also includes gains, losses or costs as specified under the agreements governing our indebtedness.

Non-GAAP Reconciliation – Adjusted EBITDA and Adjusted Net Income

	13 Weeks Ended (unaudited)		52 Weeks Ended (unaudited)		
($ in millions)	December 30, 2023	December 31, 2022	December 30, 2023	December 31, 2022	December 28, 2019
Net income available to common shareholders (GAAP)	**$147**	**$83**	**$499**	**$228**	**$385**
Series A Preferred Stock Dividends	-	(10)	(7)	(37)	-
Net Income (GAAP)	**147**	**93**	**506**	**265**	**385**
Interest expense – net	80	75	324	255	184
Income tax provision	53	34	172	96	126
Depreciation expense	93	87	349	327	311
Amortization expense	12	12	46	45	51
EBITDA (Non-GAAP)	**$385**	**$301**	**$1,397**	**$988**	**$1,057**
Adjustments:					
Restructuring costs and asset impairment charges[1]	12	12	14	12	-
Share-based compensation expense[2]	13	11	56	45	32
LIFO reserve adjustment[3]	(43)	4	(1)	147	22
Loss on extinguishment of debt[4]	-	-	21	-	-
Pension settlements[5]	-	-	-	-	12
Business transformation costs[6]	12	11	28	52	9
Business acquisition and integration related costs and other[7]	9	11	44	66	62
Adjusted EBITDA (Non-GAAP)	**$388**	**$350**	**$1,559**	**$1,310**	**$1,194**
Depreciation expense	(93)	(87)	(349)	(327)	(311)
Interest expense – net	(80)	(75)	(324)	(255)	(184)
Income tax provision, as adjusted[8]	(55)	(50)	(228)	(190)	(176)
Adjusted net income (Non-GAAP)	**$160**	**$138**	**$658**	**$538**	**$523**

(1) – (8) footnotes located on next slide

Non-GAAP Reconciliation – Adjusted EBITDA and Adjusted Net Income

1. Consists primarily of non-CEO severance and related costs associated with organizational realignment and other impairment charges. For the 13 weeks and 52 weeks ended December 31, 2022, also consists of the write-off of old leases ROU asset and lease liability of $9 million associated with entering into new lease agreements for four distribution facilities.
2. Share-based compensation expense for expected vesting of stock awards and employee stock purchase plan.
3. Represents the impact of LIFO reserve adjustments.
4. Includes early redemption premium and the write-off of certain pre-existing debt issuance costs.
5. Consists of settlement charges resulting from lump-sum payments to settle benefit obligations with both former and current participants in our defined benefit pension plan.
6. Transformational costs represent non-recurring expenses prior to formal launch of strategic projects with anticipated long-term benefits to the Company. These costs generally relate to third party consulting and non-capitalizable construction or technology. For the 13 weeks and 52 weeks ended December 30, 2023, business transformation costs related to projects associated with information technology infrastructure initiatives. For the 13 weeks and 52 weeks ended December 31, 2022, business transformation costs consist of new facility openings, supply chain strategy improvements, and information technology infrastructure initiatives. For the 52 weeks ended December 28, 2019, consists primarily of cost related to significant process and systems redesign across multiple functions.
7. Includes: (i) aggregate acquisition and integration related costs of $9 million and $5 million for the 13 weeks ended December 30, 2023 and December 31, 2022, respectively and $41 million and $22 million for the 52 weeks ended 2023 and 2022, respectively; (ii) contested proxy and related legal and consulting costs of $21 million for fiscal year 2022; (iii) CEO severance of $5 million for fiscal year 2022; and (iv) other gains, losses or costs that we are permitted to add back for purposes of calculating Adjusted EBITDA under certain agreements governing our indebtedness. For the 52 weeks ended December 28, 2019, includes Food Group acquisition-related costs of $52 million and also includes gains, losses or costs as specified under the agreements governing our indebtedness.
8. Represents our income tax provision adjusted for the tax effect of pre-tax items excluded from Adjusted Net Income and the removal of applicable discrete tax items. Applicable discrete tax items include changes in tax laws or rates, changes related to prior year unrecognized tax benefits, discrete changes in valuation allowances, and excess tax benefits associated with share-based compensation. The tax effect of pre-tax items excluded from Adjusted Net Income is computed using a statutory tax rate after taking into account the impact of permanent differences and valuation allowances.

Non-GAAP Reconciliation – Adjusted Diluted Earnings Per Share (EPS)

	13 Weeks Ended (unaudited)		Year Ended (unaudited)	
	December 30, 2023	December 31, 2022	December 30, 2023	December 31, 2022
Diluted EPS (GAAP)	**$0.59**	**$0.37**	**$2.02**	**$1.01**
Restructuring costs and asset impairment charges(1)	0.05	0.05	0.06	0.05
Share-based compensation expense(2)	0.05	0.04	0.22	0.18
LIFO reserve adjustments(3)	(0.17)	0.02	-	0.59
Loss on extinguishment of debt(4)	-	-	0.08	-
Business transformation costs(5)	0.05	0.04	0.11	0.21
Business acquisition and integration related costs and other(6)	0.04	0.04	0.18	0.26
Income tax provision, as adjusted(7)	0.03	(0.01)	(0.04)	(0.16)
Adjusted Diluted EPS (Non-GAAP)(8)	**$0.64**	**$0.55**	**$2.63**	**$2.14**
Weighted-average diluted shares outstanding (Non-GAAP)(9)	**248,204,734**	**251,753,008**	**249,984,664**	**251,231,662**

(1) – (9) footnotes located on next slide

Non-GAAP Reconciliation – Adjusted Diluted Earnings Per Share (EPS)

1. Consists primarily of non-CEO severance and related costs associated with organizational realignment and other impairment charges. For the 13 weeks and 52 weeks ended December 31, 2022, also consists of the write-off of old leases ROU asset and lease liability of $9 million associated with entering into new lease agreements for four distribution facilities.
2. Share-based compensation expense for expected vesting of stock awards and employee stock purchase plan.
3. Represents the impact of LIFO reserve adjustments.
4. Includes early redemption premium and the write-off of certain pre-existing debt issuance costs.
5. Transformational costs represent non-recurring expenses prior to formal launch of strategic projects with anticipated long-term benefits to the Company. These costs generally relate to third party consulting and non-capitalizable construction or technology. For the 13 weeks and 52 weeks ended December 30, 2023, business transformation costs related to projects associated with information technology infrastructure initiatives. For the 13 weeks and 52 weeks ended December 31, 2022, business transformation costs consist of new facility openings, supply chain strategy improvements, and information technology infrastructure initiatives.
6. Includes: (i) aggregate acquisition and integration related costs of $9 million and $5 million for the 13 weeks ended December 30, 2023 and December 31, 2022, respectively and $41 million and $22 million for 52 weeks ended 2023 and 2022, respectively; (ii) contested proxy and related legal and consulting costs of $21 million for fiscal year 2022; (iii) CEO severance of $5 million for fiscal year 2022; and (iv) other gains, losses or costs that we are permitted to add back for purposes of calculating Adjusted EBITDA under certain agreements governing our indebtedness.
7. Represents our income tax provision adjusted for the tax effect of pre-tax items excluded from Adjusted Net Income and the removal of applicable discrete tax items. Applicable discrete tax items include changes in tax laws or rates, changes related to prior year unrecognized tax benefits, discrete changes in valuation allowances, and excess tax benefits associated with share-based compensation. The tax effect of pre-tax items excluded from Adjusted Net Income is computed using a statutory tax rate after taking into account the impact of permanent differences and valuation allowances
8. Adjusted Diluted EPS is calculated as Adjusted net income divided by weighted average diluted shares outstanding (Non-GAAP).
9. For purposes of the Adjusted Diluted EPS calculation (Non-GAAP), when the Company has net income (GAAP), weighted average diluted shares outstanding (Non-GAAP) is used and assumes conversion of the Series A convertible preferred stock, and, when the Company has net loss (GAAP) and assumed conversion of the Series A convertible preferred stock would be antidilutive, weighted-average diluted shares outstanding (GAAP) is used.

Non-GAAP Reconciliation – Net Debt and Net Leverage Ratios

	(unaudited)		
($ in millions, except ratios)	December 30, 2023	December 31, 2022	January 1, 2022
Total Debt (GAAP)	**$4,674**	**$4,854**	**$5,011**
Cash, cash equivalents and restricted cash	(269)	(211)	(148)
Net Debt (non-GAAP)	**$4,405**	**$4,643**	**$4,863**
Adjusted EBITDA[1]	$1,559	$1,310	$1,057
Net Leverage Ratio[2]	**2.8**	**3.5**	**4.6**

(1) Trailing Twelve Months (TTM) Adjusted EBITDA.
(2) Net debt / TTM Adjusted EBITDA.

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