Investor Presentation January 2024

WE HELP YOU MAKE IT®

GREAT FOOD. MADE EASY.™

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; the replacement of LIBOR with an alternative reference rate; 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 31, 2022. 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.

Key Messages

1. Broad national scale in a fragmented industry with focus on differentiation of technology, team-based selling and product innovation to drive outsized growth
2. Experienced executive team with defined strategy to enhance profitability through Long-Range Plan
3. Resilient business model with history of long-term secular growth
4. Utilizing proprietary sales tools and operational excellence to gain market share in strategic end markets
5. Robust performance allowing capital deployment through investing in the business, paying down debt, pursuing tuck-in M&A and executing share repurchases to provide financial flexibility and create long-term value

US Foods Overview

GREAT FOOD. MADE EASY.™

US. FOODS WE HELP YOU MAKE IT®

GREAT FOOD.

INNOVATIVE TECHNOLOGY.

DEDICATED AND PERSONALIZED SUPPORT.

MORE THAN JUST A TAGLINE

When we say, “We Help You Make It®”, we mean it. More than just a tagline, this is the US Foods® promise to our customers. With great food solutions, innovative yet simple business tools and a dedicated team of experts, count on us to help take on your business challenges so you can feed your passion with confidence.

Executive Leadership Team with Extensive Industry Experience

Dave Flitman
Chief Executive Officer

Irfan Badibanga
President,
CHEF'STORE

Steve Boggan
Regional President – Central

Steve Guberman
EVP, Chief Transformation Officer & Nationally Managed Business

Martha Ha
EVP, General Counsel

Bill Hancock
EVP, Chief Supply Chain Officer

Rick Hausman
Regional President – Southeast

Diane Hund
SVP and Chief Marketing Officer

Rob Koppenhaver
Regional President – Northeast

Tim Lewis
Regional President – West

Dirk Locascio
EVP, Chief Financial Officer

Dave Poe
EVP, Chief Merchant

Dave Rickard
EVP, Strategy & Revenue Management

Sara Schmidt
SVP and Chief Information Security Officer

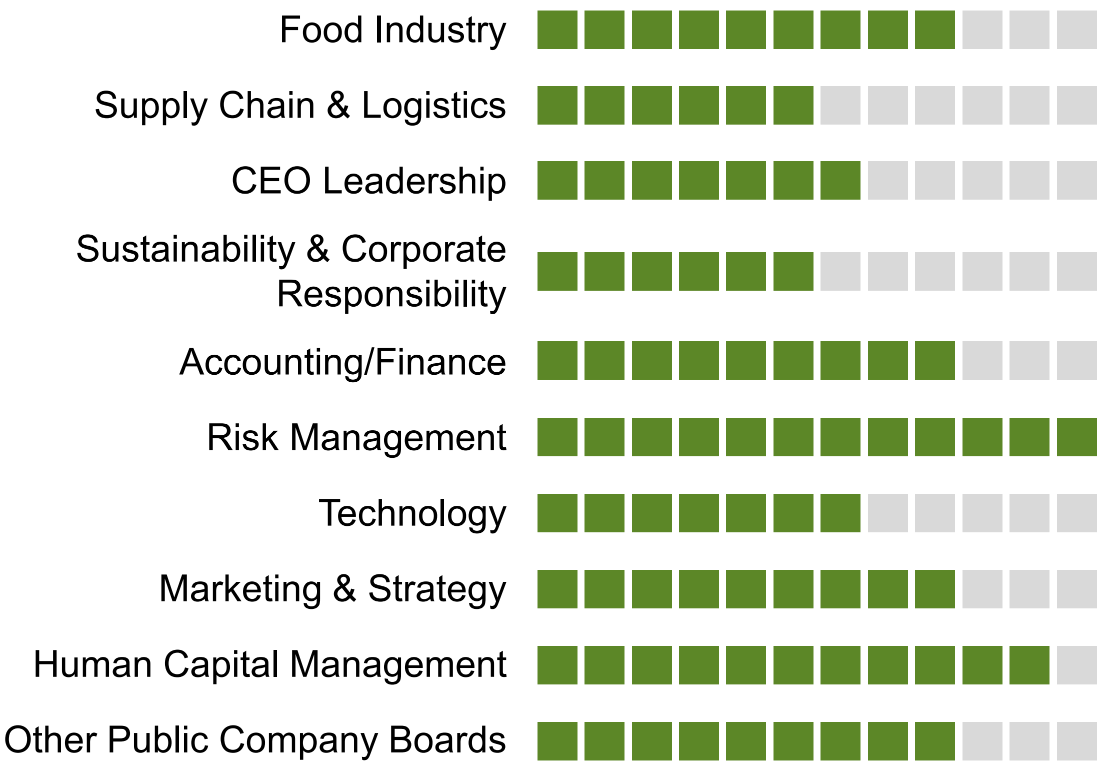
Randy Taylor
EVP, Field Operations and Local Sales

John Tonnison
EVP, Chief Information & Digital Officer

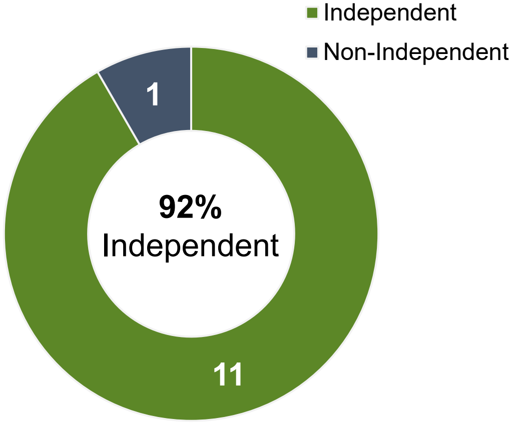
David Works
EVP, Chief Human Resources Officer

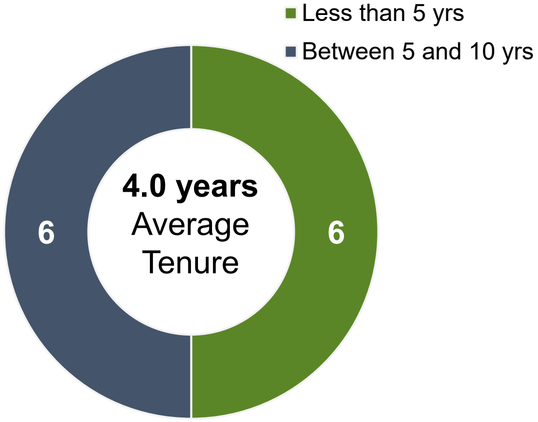
Highly Experienced Board with Unique Backgrounds, Qualifications and Skills Providing Effective Oversight

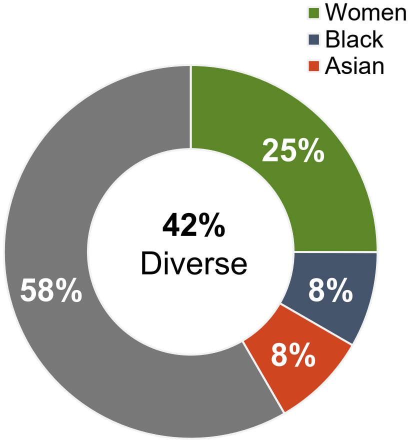
KNOWLEDGE, SKILLS & EXPERIENCE

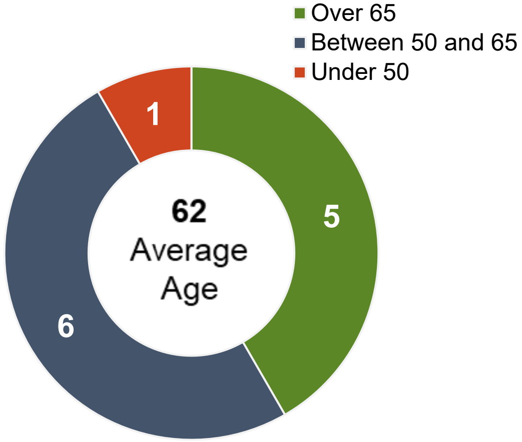


DEMOGRAPHICS & TENURE

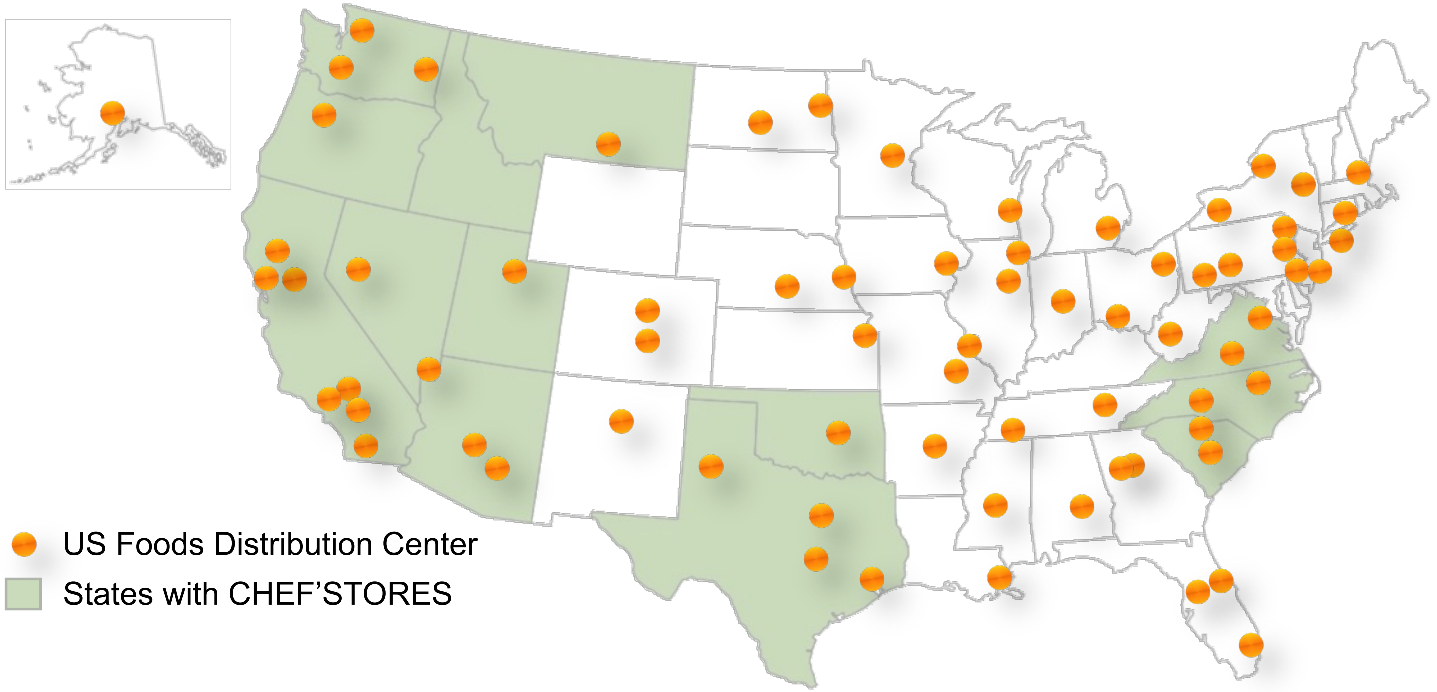








US Foods – At a Glance



$34.1B[(1)] IN REVENUE

150+ YEARS IN BUSINESS

~250,000 CUSTOMERS

~6,000 SUPPLIERS

400,000+ PRODUCTS

~6,500 TRUCKS IN OUR FLEET

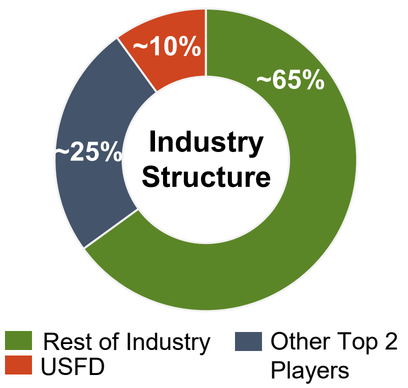
29,000+ ASSOCIATES

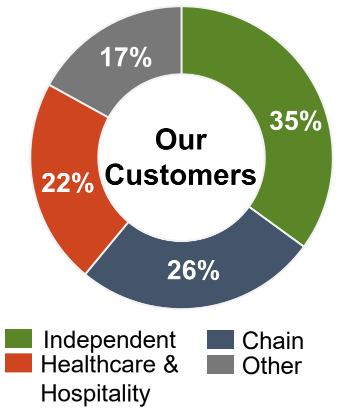
~4,000 SALES ASSOCIATES

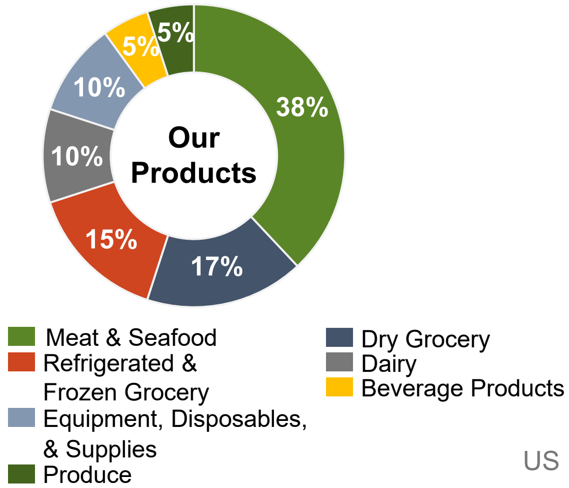
70+ DISTRIBUTION FACILITIES

~90 CHEF'STORE® LOCATIONS

REVENUE BREAKDOWN[1]

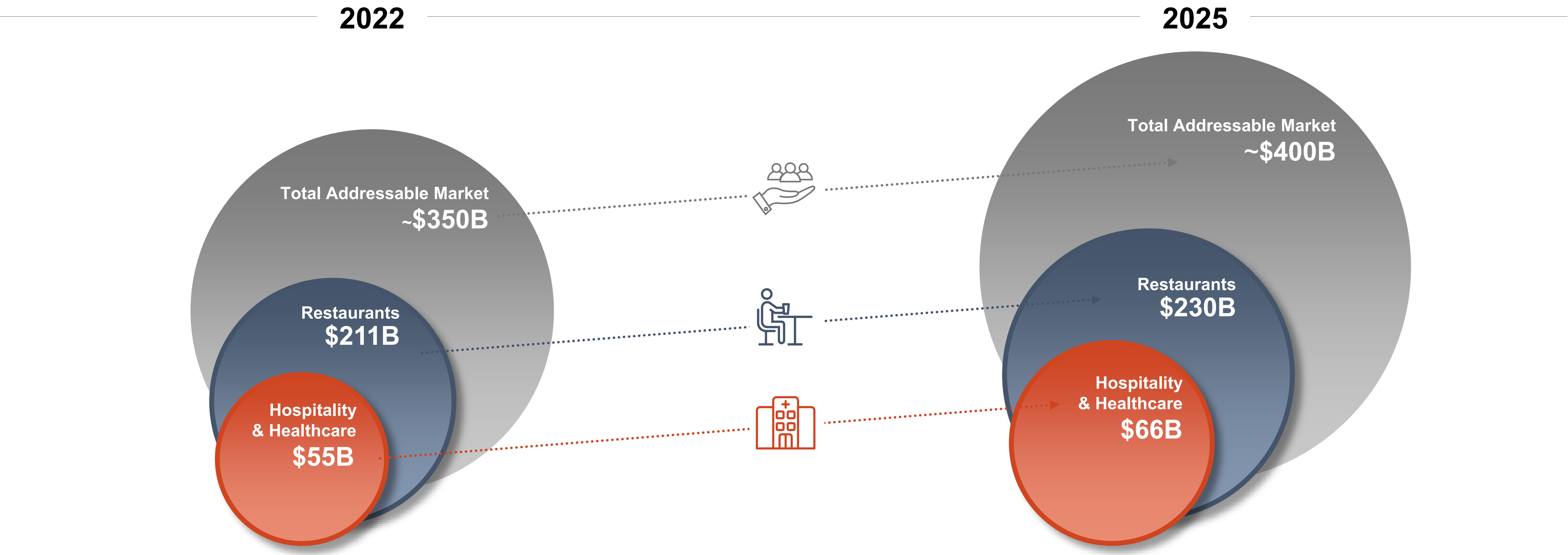






(1) Revenue as of FY 2022

Significant Total Addressable Market Highlights Growth Potential



Leading Position in Fastest Growing End Markets with Significant Upside Opportunity

Note: Market as measured by Technomic, Inc.

Great Food and Menu Solutions All in One Place

We lead with fresh tastes and great food. You'll always find on-trend, exclusive food and menu solutions that deliver the consistently high quality results that US Foods® is known for. From plant-based to clean ingredients, we offer product innovation that can help set your menu apart from the competition.

EXCLUSIVE BRANDS

Guided by a spirit of innovation and an unwavering commitment to delivering high quality products and value to customers, each of our brands is a testament to our dedication to making you more successful.

- 22 Exclusive Brands
- Distinct and different
- Innovative and labor-saving
- High quality and value
- Trusted performance

SCOOP™

Our exclusive product innovation program gives the "scoop" on great food and ideas designed to inspire your menu and feed your passion.

- Cutting edge products with back-of-house convenience
- On-trend ingredients and flavors customers want
- Labor-saving and profit-boosting products

HUNGRY FOR BETTER

Our commitment to offering authentic products that meet our sustainable or locally sourced standards. We believe that the power of food can do remarkable things, like create change that unites us all and help to improve the state of our planet, people and communities.

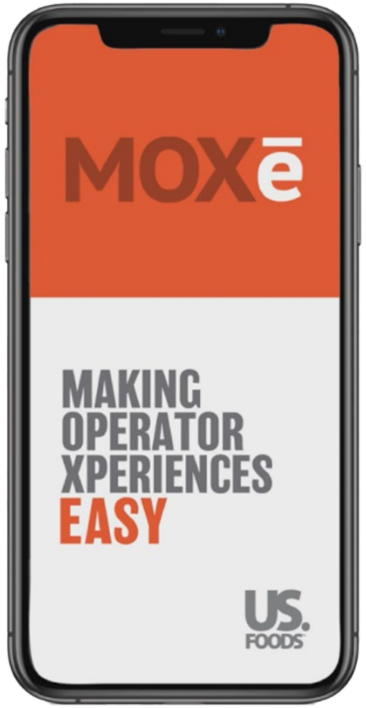
- Locally sourced
- Sustainability
- Climate-conscious
- Well-being

Utilizing Proprietary Technology to Address Customer Challenges

MOXē

Making Operator Xperiences Easy

- The one-stop shop for US Foods customers to find innovative products, manage orders, track deliveries and pay bills
- The most advanced mobile app in foodservice, MOXē helps operators save time and manage their business with essential tools like inventory, recipes and more
- Successfully rolled out to all local customers with national expansion to be completed in 2024



VITALS

Solutions for Healthcare Foodservice

- Assortment of solutions to provide customers the latest trends, technology and operational expertise for acute care and senior living facilities in key areas
- Increases patient satisfaction goals, identifies and reduces costs through improving labor and staffing
- Improves revenue flow and bolsters retail operations of customers through established pricing strategies, staff training, promotions and menu planning

US FOODS | VITALS SOLUTIONS FOR HEALTHCARE FOODSERVICE

Ability to Service Customers Through Broad Range of Solutions

BROADLINE:TRADITIONAL

- Extensive network of 70+ broadline locations
- Supplying ~250,000 customer locations nationwide
- Augmented by our omni-channel strategy

BROADLINE: PRONTO

- Service providing smaller, more frequent deliveries with 35 markets currently in place
- Caters to customers in high density geographic areas through 8PM cutoff time for next-day delivery; service available six days a week with no minimum order requirements

DIRECT

- Virtual marketplace accessible online or from a mobile device offering 100,000+ specialty products not stocked in warehouses
- Orders sent directly to customers via FedEx and UPS

CHEF'STORE

- Brick and mortar destination for restaurant shopping, serving professionals and home chefs; No membership required
- Significant expansion opportunity for US Foods to grow store footprint; attractive EBITDA margins and strong ROIC profile

Helping Customers Succeed Through Team-Based Selling

RESTAURANT OPERATIONS CONSULTANTS (ROCs)

- Specialized teams assisting customers with **digital marketing, menu engineering and profitability, staffing, cost management and restaurant technology**
- **MOXē has saved our sellers over 50,000 hours** with its new self-service capabilities

LOCAL CULINARY & PRODUCT SUPPORT

- **Food Fanatics Chefs (FFCs) use their culinary and industry expertise to recommend enhancements** to restauranteurs and operators, providing invaluable advice to customers in today's inflationary environment
- **Product Specialists** ensure customers find the right products, recipes and menu ideas to **stay competitive and on-trend**

CHECK BUSINESS TOOLS

- **Suite of smart and simple digital tools** offered to customers to run restaurants more efficiently by driving traffic, reducing waste and simplifying staffing

73%
Independent e-commerce penetration

84%
Total Company e-commerce penetration

Strategic Direction Underscored by Long-Range Plan Initiatives

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

Focused on Cultivating Strong Culture

CULTURE

Embrace the US Foods® culture

SAFE

Always keep our people safe and embrace a path to zero accidents and injuries

SUPPORTIVE

Champion a diverse and inclusive work environment for all; foster employee engagement; attract world-class talent

RESPONSIBLE

Be environmentally and socially conscious

Donated more than **$12 million** in food, supplies and monetary contributions to address hunger-relief efforts across the country throughout 2023

Key ESG Highlights

Governance – Track record of governance best practices, led by high quality, experienced and diverse Board of Directors, including restoration of single class of common stock in 2023

Planet – Reduced absolute Scope 1 and Scope 2 greenhouse gas (GHG) emissions by 13% from our 2019 climate goal baseline

Product – Offered 2,600+ local, sustainable and well-being Exclusive Brand products (+13% from 2021) and distributed more than 2.4 million cases of Serve Good Responsible Disposable products (+14% from 2019)

People – Filled 47% of new or open leadership roles with women or people of color, exceeding our 40% goal

Social – Donated more than $12 million in food, supplies and monetary contributions to address hunger-relief efforts across the country throughout 2023

Enhancing Service Levels to Drive Efficiency

SERVICE

Deliver world-class service

RELIABLE

Ensure best-in-class delivery: on-time and in full

EFFICIENT

Drive routing transformation and logistics management; increase replenishment effectiveness

EASY-TO-USE

Create best-in-class experiences for the customer powered by digital and omni-channel capabilities

Deliver Service Excellence

- Customer service levels in line with pre-Covid levels as team focuses on lower performing product vendors
- Improving safety, productivity and turnover through pilot programs
- Taking steps to further reduce routing mileage and increase cases per mile
- E-commerce platform, MOXē, servicing local and national customers; enhancements continue to maintain digital leadership

Capturing Share in Targeted End Markets

GROWTH

Grow market share

TARGET

Grow market share with independent restaurants, health care, hospitality and targeted tuck-in acquisitions

DIFFERENTIATE

Capitalize on our food innovations, team-based selling and value added services

BE FRESH

Improve our capabilities and drive share in produce and Center of Plate

Grow Profitable Market Share

- On track to exceed 1.5x restaurant market growth for FY 2023
- Consistently gaining share in Independent market enabled by technology and service model advantages
- Improving customer mix by focusing on target customer types; consistent quarterly growth
- Expanding Healthcare and Hospitality new business pipeline

Optimizing Operations to Expand Profits

PROFIT
Expand EBITDA Margin

MARGIN
Expand through private label growth, strategic vendor management and pricing initiatives

PRODUCTIVITY
Embrace continuous improvement and drive 3-5% annual gains

OPTIMIZATION
Enhance indirect spend management

Further Optimize EBITDA Margin

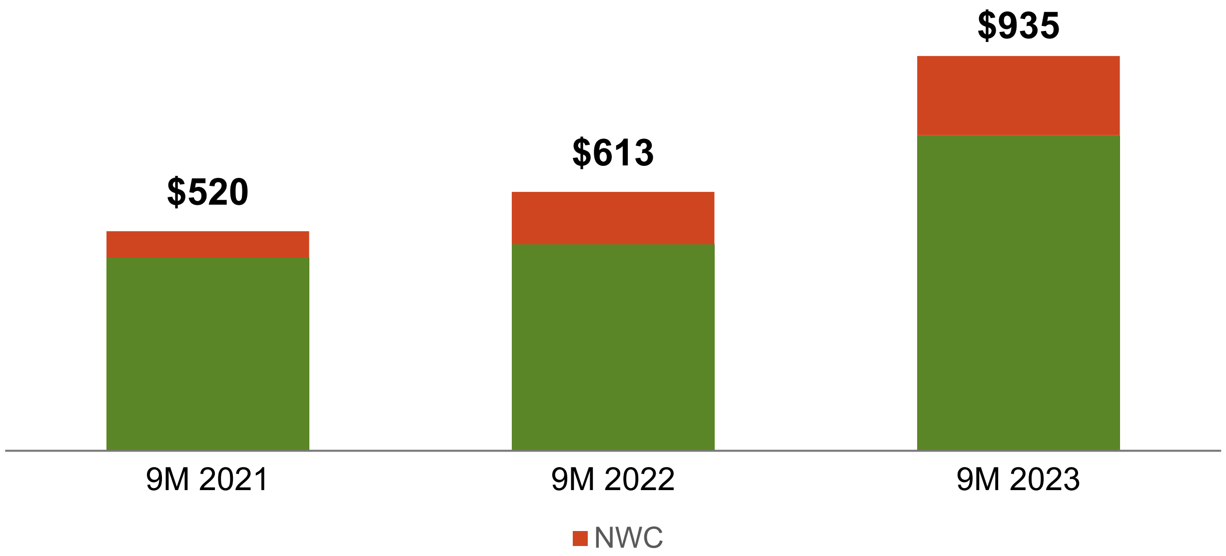
- We remain on track to address a total of 60 percent of COGS by the end of 2023
- Pricing strategy provides effective management of commodity volatility
- Continuing progress in Supply Chain productivity and turnover; flex scheduling progressing as further enabler
- Focus on indirect spend to drive long-term value creation

Financial Overview and Outlook

GREAT FOOD. MADE EASY.™

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

Operating Cash Flow ($M)



Operating Cash Flow less change in Net Working Capital[(1)]		
9M 2021	9M 2022	9M 2023
$458	**$489**	**$747**

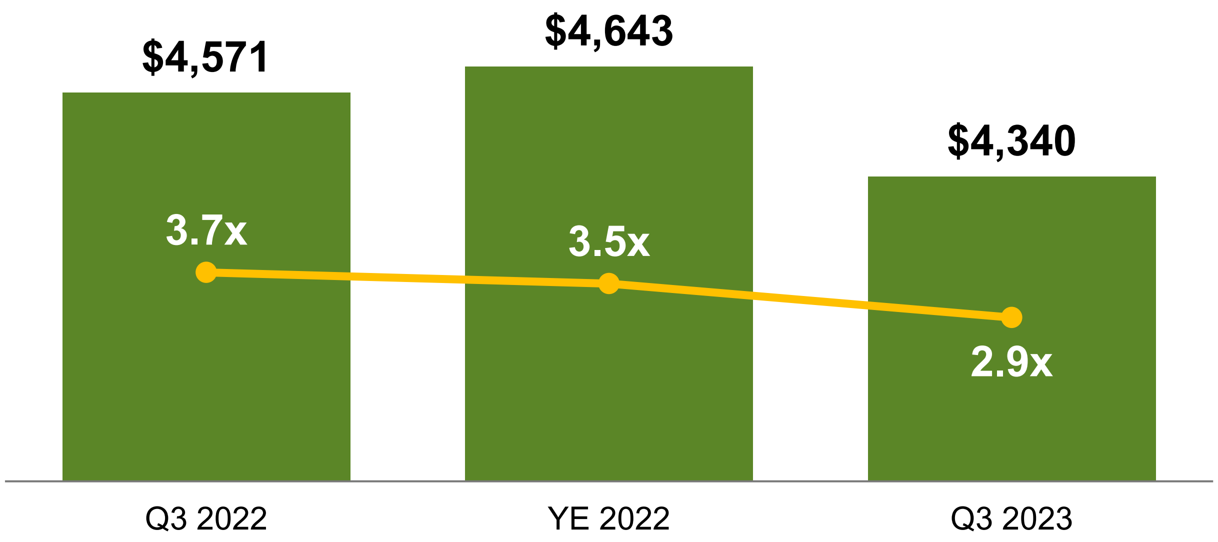
Capital Allocation Priorities

1. Invest in the business
2. Reduce leverage to target range of 2.5 to 3.0x
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]



0.6x Net Leverage Ratio Reduction vs YE 2022

Strong Progress Toward Long-Term Leverage Range

- Within 2.5 to 3.0x net leverage target range with further progress expected
- Leverage progress from a combination of debt reduction and earnings growth
- Continued progress on debt paydown; $185 million of pre-pays on Term Loans for year-to-date 2023
- Extended debt term-structure with refinance of 2025 senior notes and issuance of longer-dated debt; no debt maturities until 2026
- Leverage reduction in parallel with share repurchases and closing on tuck-in acquisition

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

Disciplined Approach to M&A

Aligned with overall growth plan

Tuck-in strategy

Expands capabilities and footprint

Opportunistic

Investment Criteria

1. One or a few locations in a geography that increases density or adds capacity for profitable growth
2. Externally viewed as well run company
3. Attractive customer mix with focus on Independent
4. Strong cultural fit including similar go to market and selling approach
5. Accretive within first 12 months of ownership
6. Solid financial return and funded out of operating cash flow

US FOODS

Reaffirming Fiscal 2023 Guidance

	Prior Guidance (as of August 10, 2023)	Updated Guidance (as of November 9, 2023)
Volume	Restaurants: ~1.5x market All other: ~1x market[1]	Restaurants: ~1.5x market All other: ~1x market[1]
Adjusted EBITDA[2]	$1.51B – $1.54B	$1.54B – $1.56B
Adjusted Diluted EPS[2]	$2.55 – $2.65	$2.60 – $2.70
Total CapEx[3]	$410M – $430M	$410M – $430M
Net Leverage[2]	Below 3.0x by year-end	Below 3.0x by year-end
Interest Expense	$320M – $325M	$320M – $325M

(1) Market as measured by Technomic.
(2) Non-GAAP financial measures. Refer to the Disclaimer Page on slide 2 for information about forward-looking non-GAAP measures.
(3) Total CapEx consists of $290 million – $310 million of cash capital expenditures and ~$120 million of capital expenditures under our fleet financing leases.

Invest With US Foods

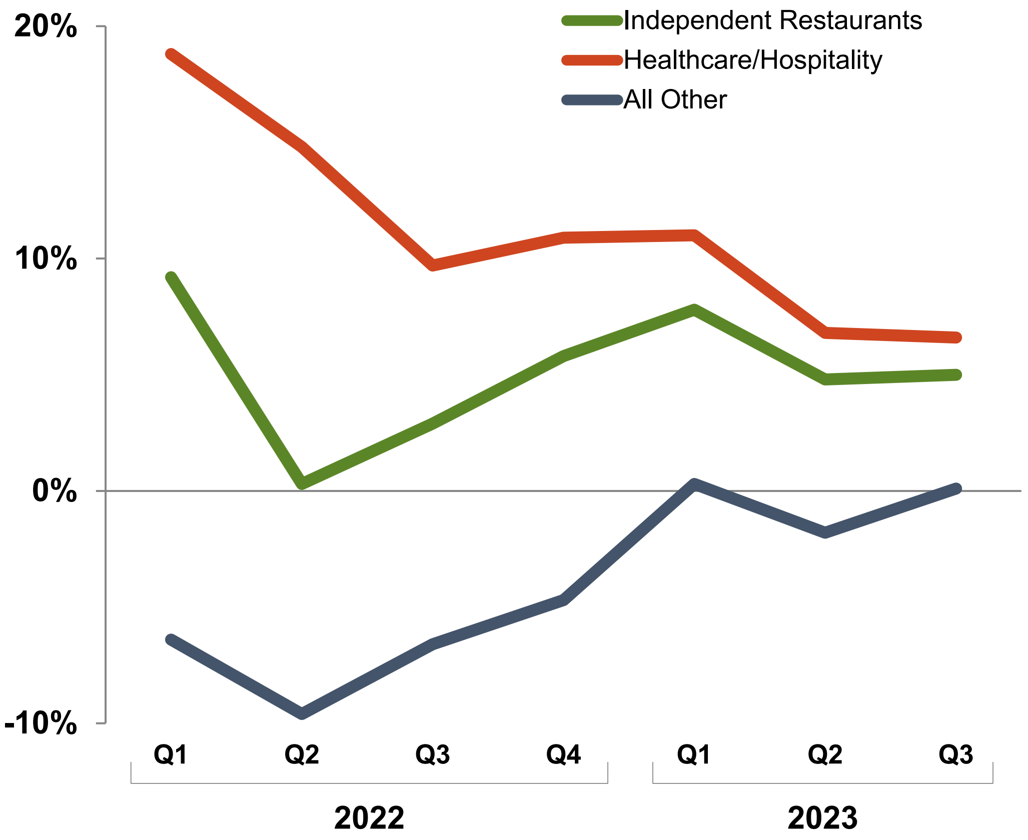
1. Leader in a highly fragmented and resilient industry with national scale; U.S only business serving a diverse customer base
2. Sustainable competitive advantages to drive market outperformance; well-positioned to win in any macro environment
3. Executing Long-Range Plan initiatives to drive growth 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

Appendix

Quarterly Case Volume Trend vs. Prior Year

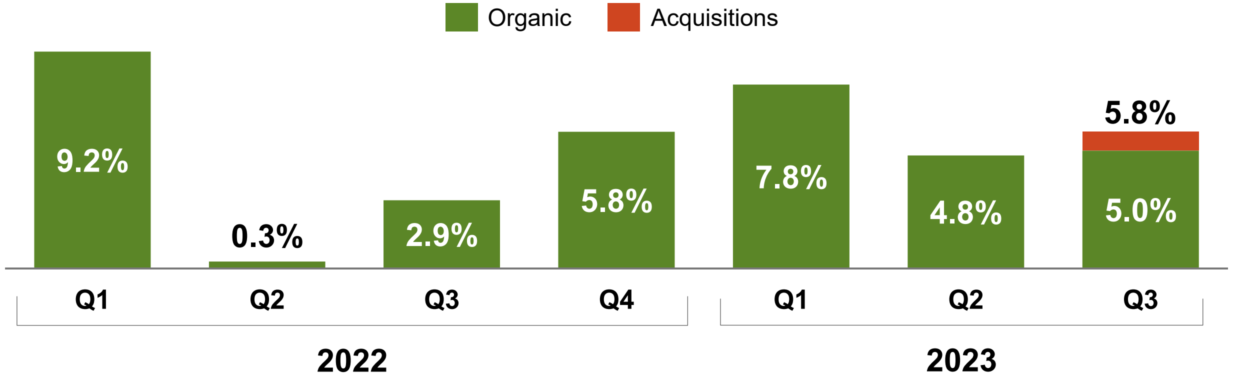
Organic Case Growth by Quarter[1]

YOY percent change



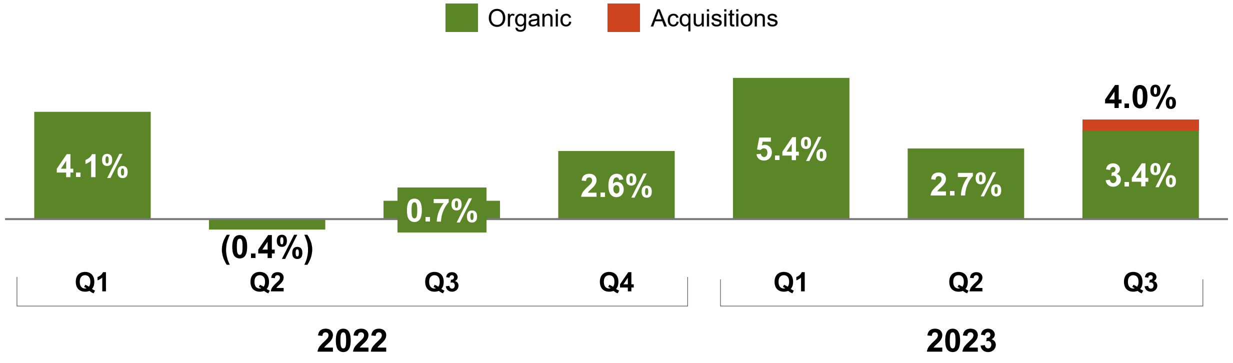
Independent Restaurant Case Growth[1]

YOY percent change for total and organic cases



Total Case Growth

YOY percent change for total and organic cases



(1) Independent restaurant case growth was negatively impacted by approximately 80 basis points for Q3'23 from slower growth in CHEF'STORE. Broadline independent restaurant case growth for Q3'23 was 6.6%. Includes Renzi.

US Foods Debt Summary

($ in millions)	Maturity	Interest Terms	Interest Rates as of September 30, 2023	Carrying Value as of September 30, 2023	Carrying Value as of December 31, 2022
ABL Facility	December 7, 2027		8.50%	-	-
2019 Incremental Term Loan Facility (net of $12 and $19 of unamortized deferred financing costs, respectively)	September 13, 2026	SOFR + 2.11%	7.43%	$1,108	$1,232
2021 Incremental Term Loan Facility (net of $3 and $6 of unamortized deferred financing costs, respectively)	November 22, 2028	SOFR + 2.61%	7.93%	$718	$786
Total Floating Rate Debt				**$1,826**	**$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		6.875%	$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		4.625%	$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	2023-2031		1.26%-8.31%	$472	$446
Other Debt	January 1, 2031		5.75%	$8	$8
Total Fixed Rate				**$2,860**	**$2,836**
Total Debt				**$4,686**	**$4,854**
Less: Cash				$(346)	$(211)
Net Debt[1]				**$4,340**	**$4,643**
Net Debt Leverage Ratio[1]				**2.9x**	**3.5x**
% Floating Rate[2]				**30%**	**42%**

- Net leverage expected to remain below 3.0x for remainder of 2023
- Repaid $201M YTD 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 5.32% as of September 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 ~$15M 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.

Third Quarter Financial Performance

($ in millions, except per share data)	Reported (unaudited)			Adjusted[1] (unaudited)		
	13 Weeks Ended			13 Weeks Ended		
	September 30, 2023	October 1, 2022	Change	September 30, 2023	October 1, 2022	Change
Case Growth			4.0%			
Net Sales	$9,106	$8,917	2.1%			
Gross Profit	$1,542	$1,460	5.6%	$1,579	$1,466	7.7%
% of Net Sales	16.9%	16.4%	56 bps	17.3%	16.4%	90 bps
Operating Expenses	$1,312	$1,246	5.3%	$1,178	$1,120	5.2%
% of Net Sales	14.4%	14.0%	43 bps	12.9%	12.6%	38 bps
Net Income	$95	$109	(12.8%)	$174	$151	15.2%
Diluted EPS[2]	$0.38	$0.43	(11.6%)	$0.70	$0.60	16.7%
Adjusted EBITDA				**$402**	**$351**	**14.5%**
Adjusted EBITDA Margin[3]				**4.4%**	**3.9%**	**48 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.

Year to Date Financial Performance

($ in millions, except per share data)	Reported (unaudited)			Adjusted[1] (unaudited)		
	39 Weeks Ended			39 Weeks Ended		
	September 30, 2023	October 1, 2022	Change	September 30, 2023	October 1, 2022	Change
Case Growth			4.0%			
Net Sales	$26,661	$25,542	4.4%			
Gross Profit	$4,558	$4,038	12.9%	$4,600	$4,181	10.0%
% of Net Sales	17.1%	15.8%	129 bps	17.3%	16.4%	88 bps
Operating Expenses	$3,819	$3,640	4.9%	$3,433	$3,237	6.1%
% of Net Sales	14.3%	14.3%	7 bps	12.9%	12.7%	20 bps
Net Income	$359	$172	108.7%	$498	$400	24.5%
Diluted EPS[2]	$1.43	$0.64	123.4%	$1.99	$1.59	25.2%
Adjusted EBITDA				**$1,171**	**$960**	**22.0%**
Adjusted EBITDA Margin[3]				**4.4%**	**3.8%**	**63 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 and Adjusted Operating Expenses

	13 Weeks Ended (unaudited)		**39 Weeks Ended** (unaudited)	
($ in millions)	**September 30, 2023**	**October 1, 2022**	**September 30, 2023**	**October 1, 2022**
Gross profit (GAAP)	**$1,542**	**$1,460**	**$4,558**	**$4,038**
LIFO reserve adjustment[1]	37	6	42	143
Adjusted Gross Profit (Non-GAAP)	**$1,579**	**$1,466**	**$4,600**	**$4,181**
Operating Expenses (GAAP)	**$1,312**	**$1,246**	**$3,819**	**$3,640**
Adjustments:				
Depreciation expense	(85)	(81)	(256)	(240)
Amortization expense	(12)	(11)	(34)	(33)
Restructuring and asset impairment costs[2]	(2)	-	(2)	-
Share-based compensation expense[3]	(15)	(13)	(43)	(34)
Business transformation costs[4]	(9)	(12)	(16)	(41)
COVID-19 other related expenses[5]	-	-	-	(2)
Business acquisition and integration related costs and other[6]	(11)	(9)	(35)	(53)
Adjusted Operating expenses (Non-GAAP)	**$1,178**	**$1,120**	**$3,433**	**$3,237**

(1) – (6) footnotes located on next slide.

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

1. Represents the non-cash impact of LIFO reserve adjustments.
2. Consists primarily of severance and related costs, organizational realignment costs and asset 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 39 weeks ended September 30, 2023, business transformation costs related to projects associated with information technology infrastructure initiatives. For the 13 weeks and 39 weeks ended October 1, 2022, business transformation costs consist of new facility openings, supply chain strategy improvements, and information technology infrastructure initiatives.
5. Includes COVID-19 related costs that we are permitted to addback for purposes of calculating Adjusted EBITDA under certain agreements governing our indebtedness.
6. Includes: (i) aggregate acquisition and integration related costs of $10 million and $6 million for the 13 weeks ended September 30, 2023 and October 1, 2022, respectively and $31 million and $18 million for the 39 weeks ended September 30, 2023 and October 1, 2022, respectively; (ii) CEO sign on bonus of $3 million for the 39 weeks ended September 30, 2023 (iii) contested proxy and related legal and consulting costs of $21 million for the 39 weeks ended October 1, 2022, respectively; and (iv) CEO severance for $5 million for the 39 weeks ended October 1, 2022 and (v) other gains, losses or costs that we are permitted to addback for purposes of calculating Adjusted EBITDA under certain agreements governing our indebtedness.

Non-GAAP Reconciliation – Adjusted EBITDA and Adjusted Net Income

	13 Weeks Ended (unaudited)		39 Weeks Ended (unaudited)	
($ in millions)	September 30, 2023	October 1, 2022	September 30, 2023	October 1, 2022
Net income available to common shareholders (GAAP)	**$95**	**$100**	**$352**	**$145**
Series A Preferred Stock Dividends	-	(9)	(7)	(27)
Net Income (GAAP)	**95**	**109**	**359**	**172**
Interest expense - net	81	65	244	180
Income tax provision	34	45	119	62
Depreciation expense	85	81	256	240
Amortization expense	12	11	34	33
EBITDA (Non-GAAP)	**$307**	**$311**	**$1,012**	**$687**
Adjustments:				
Restructuring and asset impairment costs(1)	2	-	2	-
Share-based compensation expense(2)	15	13	43	34
LIFO reserve adjustment(3)	37	6	42	143
Loss on extinguishment of debt(4)	21	-	21	-
Business transformation costs(5)	9	12	16	41
COVID-19 other related expenses(6)	-	-	-	2
Business acquisition and integration related costs and other(7)	11	9	35	53
Adjusted EBITDA (Non-GAAP)	**$402**	**$351**	**$1,171**	**$960**
Depreciation expense	(85)	(81)	(256)	(240)
Interest expense - net	(81)	(65)	(244)	(180)
Income tax provision, as adjusted(8)	(62)	(54)	(173)	(140)
Adjusted net income (Non-GAAP)	**$174**	**$151**	**$498**	**$400**

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

Non-GAAP Reconciliation – Adjusted EBITDA and Adjusted Net Income

1. Consists primarily of severance and related costs, organizational realignment costs and asset impairment charges.
2. Share-based compensation expense for expected vesting of stock awards and employee stock purchase plan.
3. Represents the non-cash 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 39 weeks ended September 30, 2023, business transformation costs related to projects associated with information technology infrastructure initiatives. For the 13 weeks and 39 weeks ended October 1, 2022, business transformation costs consist of new facility openings, supply chain strategy improvements, and information technology infrastructure initiatives.
6. Includes COVID-19 related costs that we are permitted to addback for purposes of calculating Adjusted EBITDA under certain agreements governing our indebtedness.
7. Includes: (i) aggregate acquisition and integration related costs of $10 million and $6 million for the 13 weeks ended September 30, 2023 and October 1, 2022, respectively and $31 million and $18 million for the 39 weeks ended September 30, 2023 and October 1, 2022, respectively; (ii) CEO sign on bonus of $3 million for the 39 weeks ended September 30, 2023 (iii) contested proxy and related legal and consulting costs of $21 million for the 39 weeks ended October 1, 2022, respectively; and (iv) CEO severance for $5 million for the 39 weeks ended October 1, 2022 and (v) other gains, losses or costs that we are permitted to addback for purposes of calculating Adjusted EBITDA under certain 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)		39 Weeks Ended (unaudited)	
	September 30, 2023	October 1, 2022	September 30, 2023	October 1, 2022
Diluted EPS (GAAP)	**$0.38**	**$0.43**	**$1.43**	**$0.64**
Restructuring costs and asset impairment charges(1)	0.01	-	0.01	-
Share-based compensation expense(2)	0.06	0.05	0.17	0.14
LIFO reserve charge(3)	0.15	0.02	0.17	0.57
Loss on extinguishment of debt(4)	0.08	-	0.08	-
Business transformation costs(5)	0.04	0.05	0.06	0.16
COVID-19 other related expenses(6)	-	-	-	0.01
Business acquisition and integration related costs and other(7)	0.04	0.04	0.14	0.21
Income tax provision, as adjusted(8)	(0.06)	0.01	(0.07)	(0.14)
Adjusted Diluted EPS (Non-GAAP)(9)	**$0.70**	**$0.60**	**$1.99**	**$1.59**
Weighted-average diluted shares outstanding (Non-GAAP)(10)	**248,954,716**	**251,174,198**	**250,577,973**	**251,057,880**

(1) – (10) footnotes located on next slide.

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

1. Consists primarily of severance and related costs, organizational realignment costs and asset impairment charges.
2. Share-based compensation expense for expected vesting of stock awards and employee stock purchase plan.
3. Represents the non-cash 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 39 weeks ended September 30, 2023, business transformation costs related to projects associated with information technology infrastructure initiatives. For the 13 weeks and 39 weeks ended October 1, 2022, business transformation costs consist of new facility openings, supply chain strategy improvements, and information technology infrastructure initiatives.
6. Includes COVID-19 related costs that we are permitted to addback for purposes of calculating Adjusted EBITDA under certain agreements governing our indebtedness.
7. Includes: (i) aggregate acquisition and integration related costs of $10 million and $6 million for the 13 weeks ended September 30, 2023 and October 1, 2022, respectively and $31 million and $18 million for the 39 weeks ended September 30, 2023 and October 1, 2022, respectively; (ii) CEO sign on bonus of $3 million for the 39 weeks ended September 30, 2023 (iii) contested proxy and related legal and consulting costs of $21 million for the 39 weeks ended October 1, 2022, respectively; and (iv) CEO severance for $5 million for the 39 weeks ended October 1, 2022 and (v) other gains, losses or costs that we are permitted to addback for purposes of calculating Adjusted EBITDA under certain 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.
9. Adjusted Diluted EPS is calculated as Adjusted net income divided by weighted average diluted shares outstanding (Non-GAAP).
10. 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)	September 30, 2023	December 31, 2022	October 1, 2022
Total Debt (GAAP)	**$4,686**	**$4,854**	**$4,937**
Cash, cash equivalents and restricted cash	(346)	(211)	(366)
Net Debt (Non-GAAP)	**$4,340**	**$4,643**	**$4,571**
Adjusted EBITDA[(1)]	$1,521	$1,310	$1,222
Net Leverage Ratio[(2)]	**2.9**	**3.5**	**3.7**

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