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Q1 Fiscal 2019 Results

May 7, 2019

Cautionary statements regarding forward-looking information

This presentation contains “forward-looking statements” within the meaning of the federal securities laws concerning, among other things, our liquidity, our possible or assumed results of operations and our business strategies. These forward-looking statements are subject to 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, or implied by, the forward-looking statements.

For a detailed discussion of these risks, uncertainties and other factors, see the section entitled “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended December 29, 2018, which was filed with the Securities and Exchange Commission on February 14, 2019. The forward-looking statements contained in this presentation speak only as of the date of this presentation. We undertake no obligation to update or revise any forward-looking statements.

Q1 results in line with expectations; outlook for full year 2019 unchanged

Solid total case growth

- Supported by strong independent case volume
- Differentiated strategy driving market share gains with independents

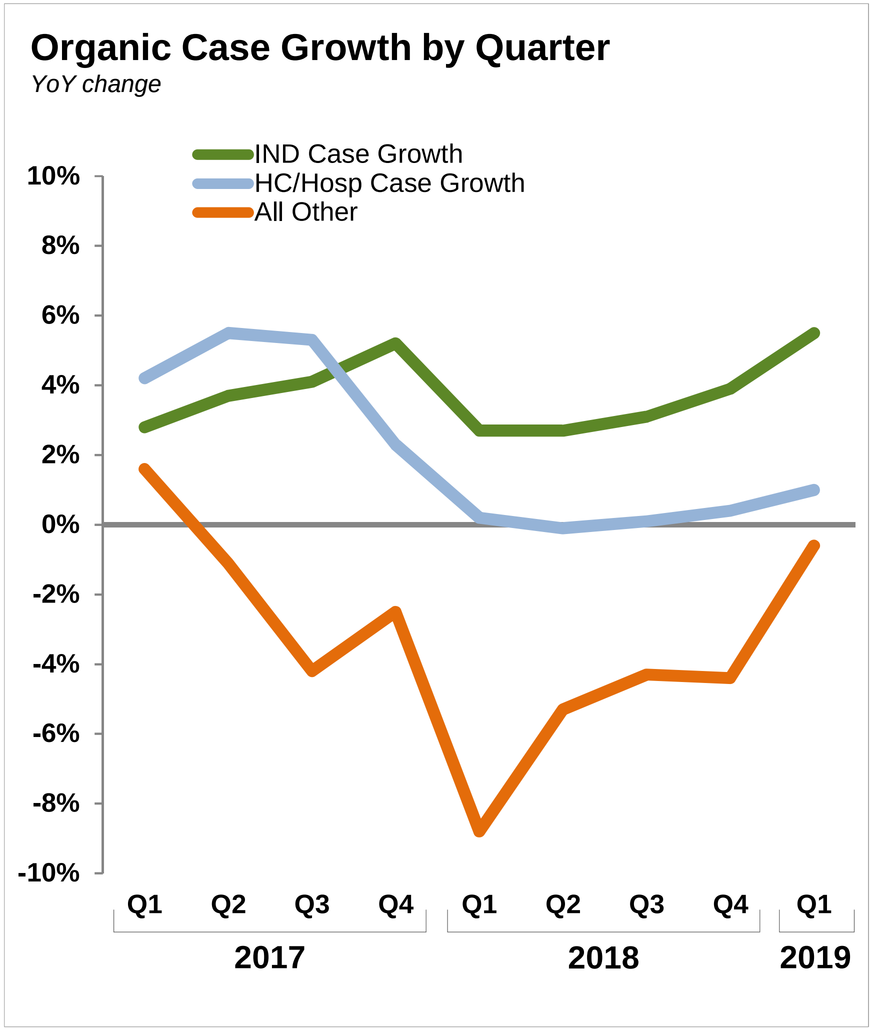
Continued expansion of operating leverage

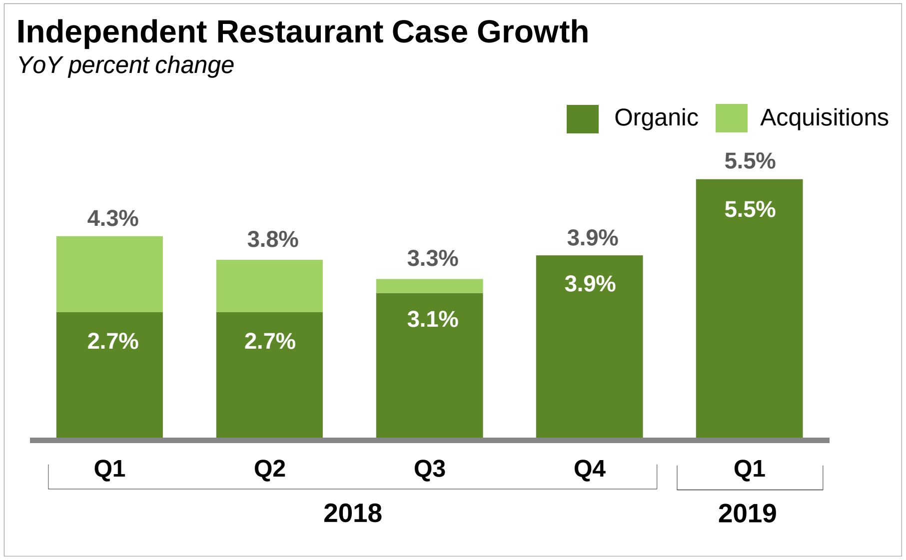
- Private brands increased ~100bps to 35% of total sales
- Freight continues to be a YOY tailwind
- Higher wage and other distribution costs

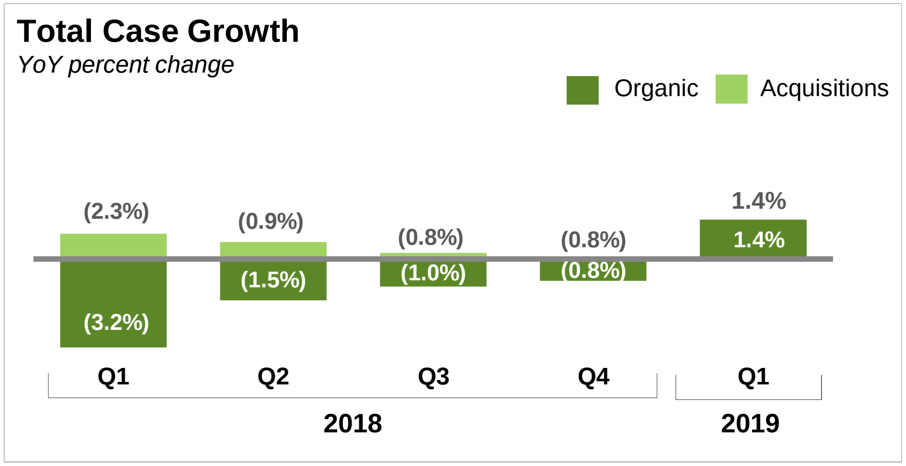
Q1 Adjusted EBITDA growth of 3.6% in line with expectations

Reiterating full year fiscal 2019 guidance

Organic case growth accelerated across all customer types

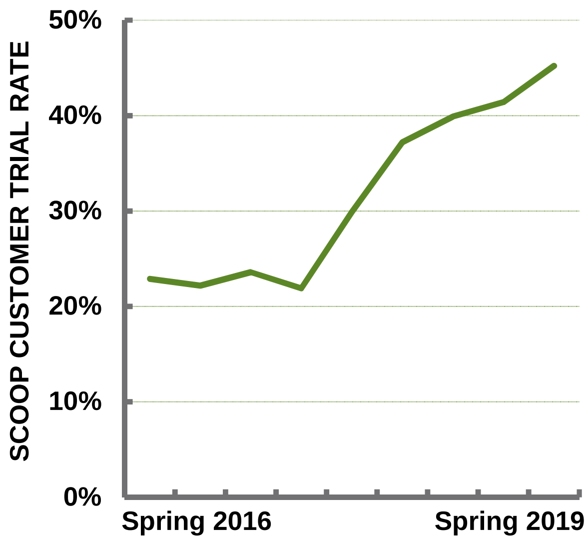






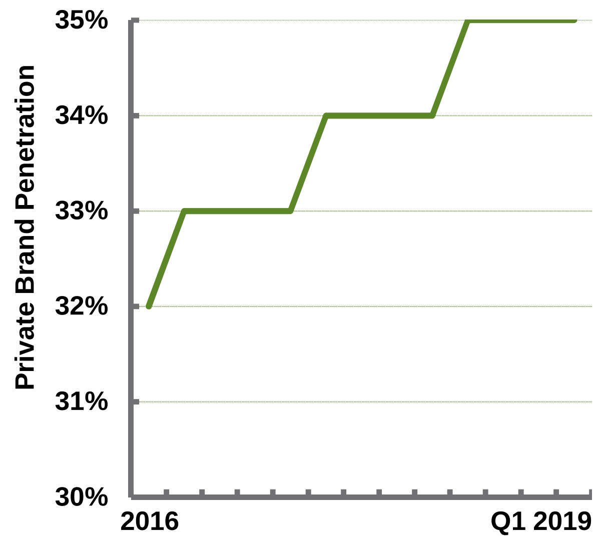
Our Great Food. Made Easy. strategy continues to resonate

Scoop

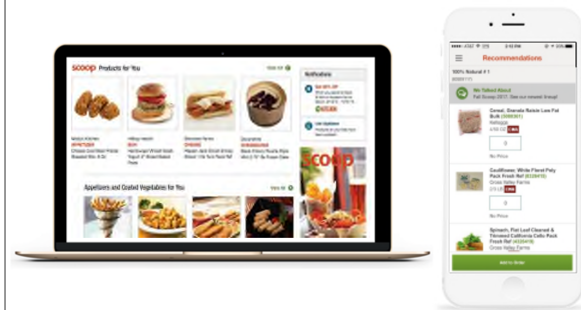


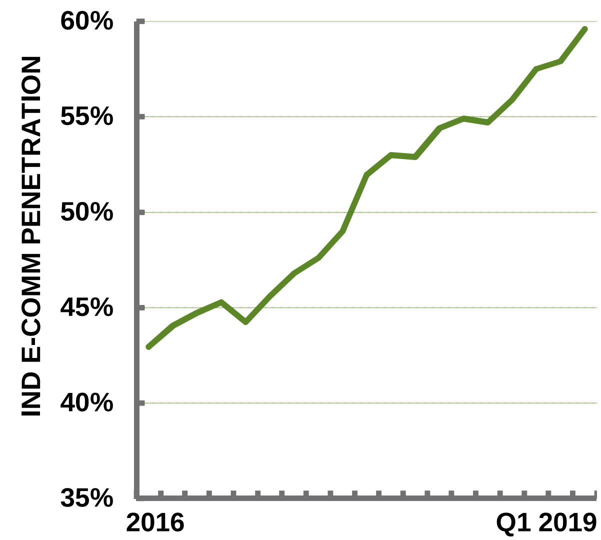
Private Brands

METRO DELI · RYKOFF SEXTON · STOCK YARDS · CHEF'S LINE · THIRSTER · HARBOR BANKS · Hilltop Hearth · ROSELI · PACIFIC JADE · OPTIMAX · Glenview Farms · RITUALS · del PASADO · PATUXENT FARMS · CROSS VALLEY FARMS · CATTLEMAN'S · DEVONSHIRE · Molly's · MONARCH · MONOGRAM · MONOGRAM SUSTAIN



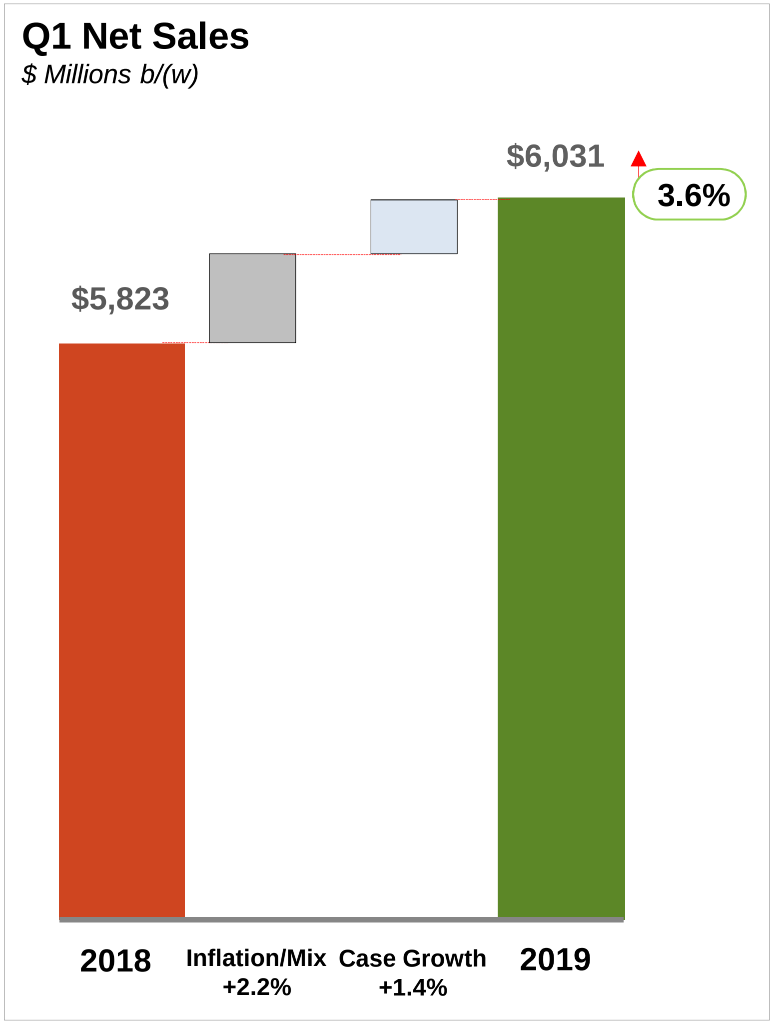
E-Commerce





Scoop: TM managed customers; two case minimum required
E-Commerce: Independent restaurant (IND) customers only

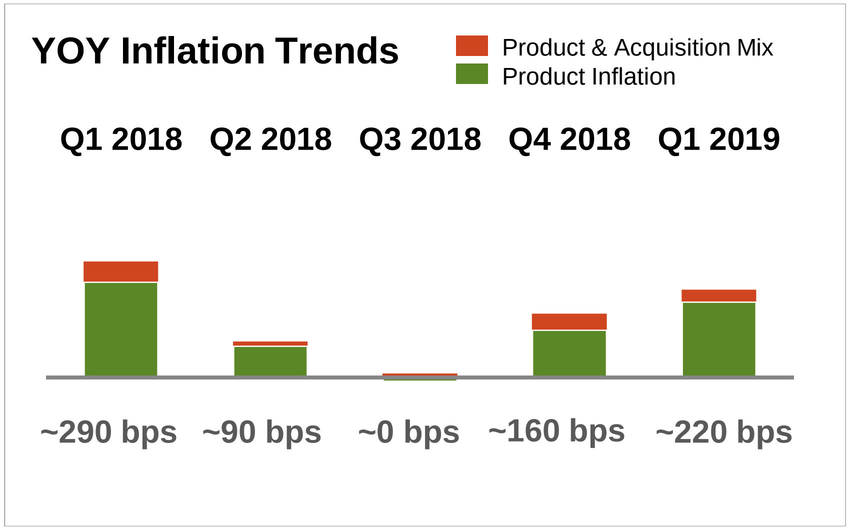
Volume growth and product inflation are driving Net Sales increase



Results Summary

Net Sales drivers:

- Positive total case volume growth of 1.4%
- Modest increase in product inflation across poultry, produce and grocery items



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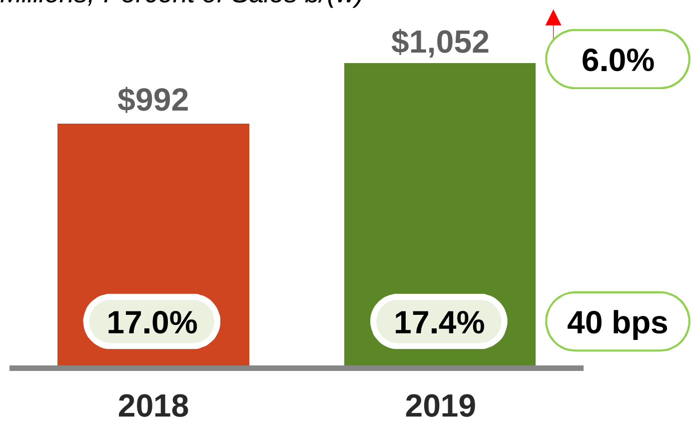
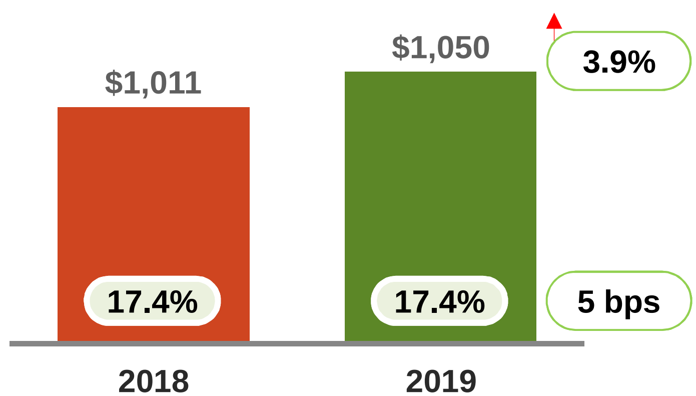
Gross Profit increase from case growth, customer mix and margin initiatives

Q1 Gross Profit
$ Millions; Percent of Sales b/(w)



Q1 Adjusted Gross Profit*
$ Millions; Percent of Sales b/(w)



Results Summary

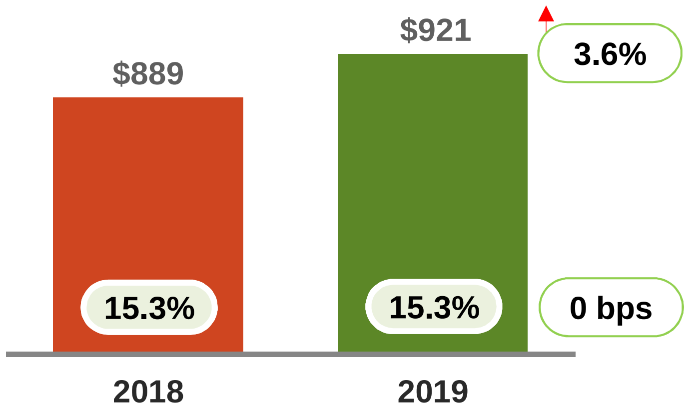
Gross Profit drivers:

- Customer mix benefit from above market independent restaurant growth
- Margin initiatives driving gains
  - Private brand growth of ~100 bps
  - Positive YOY impact from freight
- YOY LIFO gain increasing GAAP results

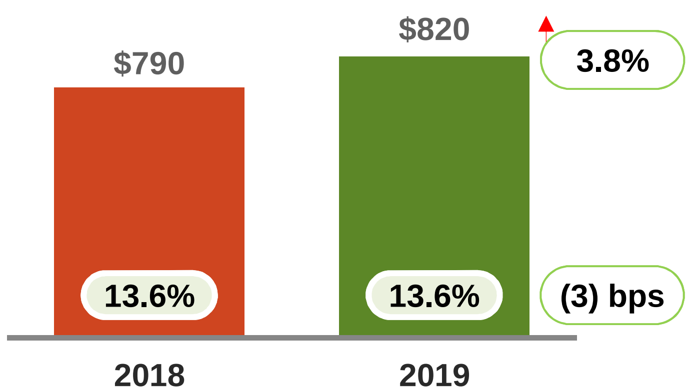
* Reconciliations of non-GAAP measures are provided in the Appendix

Higher wage and other distribution costs partially offset by expense control initiatives

Q1 Operating Expense
$ Millions; Percent of Sales b/(w)



Q1 Adjusted Operating Expense*
$ Millions; Percent of Sales b/(w)



Results Summary

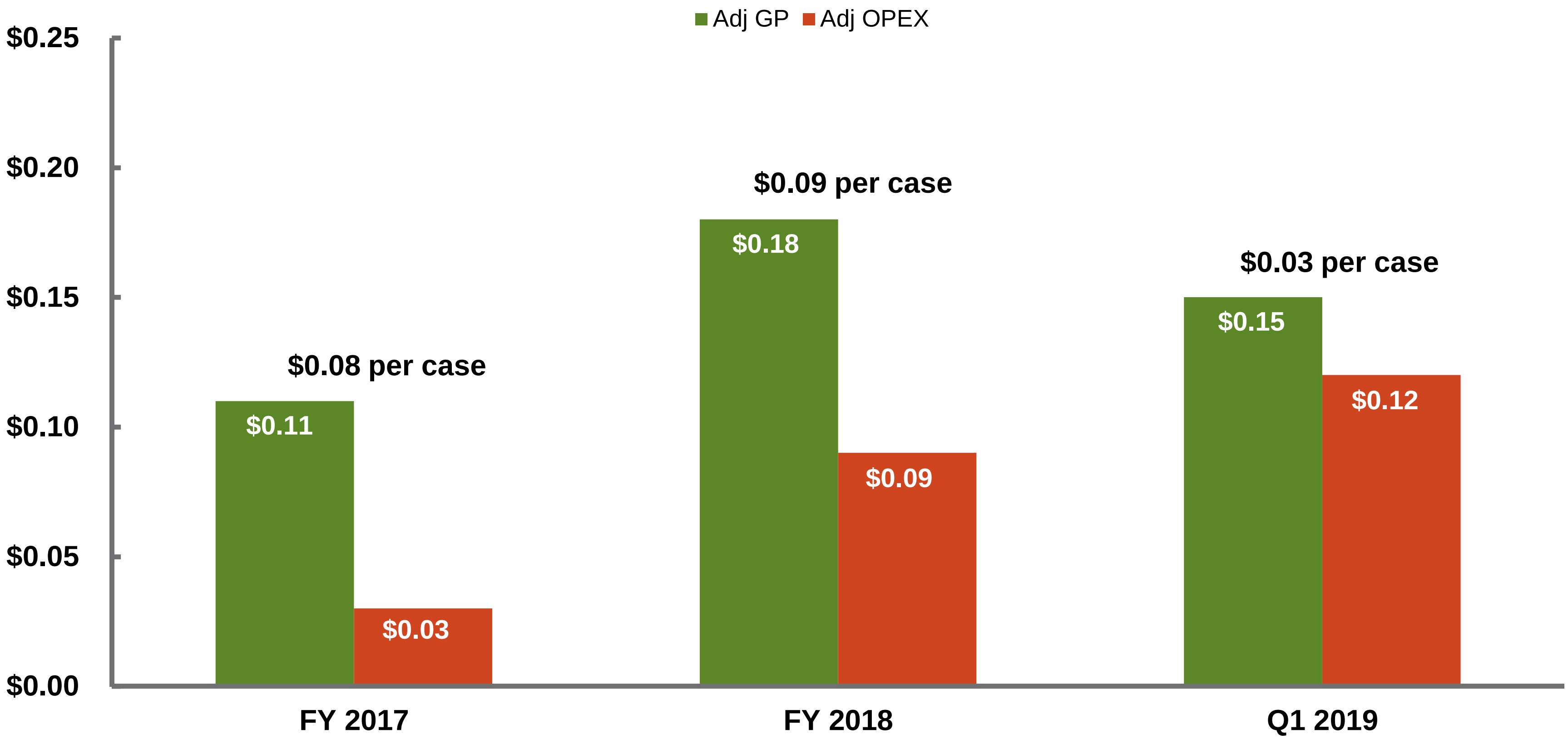
Operating Expense drivers:

- Higher wage and other distribution costs as expected
- Partially offset by our portfolio of initiatives:
    - Day-over-day routing
    - Receiving optimization
    - Local continuous improvement
- Higher acquisition-related costs in GAAP results

* Reconciliations of non-GAAP measures are provided in the Appendix

Growth in Gross Profit per case continues to outpace growth in Operating Expense per case

Adjusted Gross Profit and Adjusted Operating Expense*
$/case higher/(lower) than prior year



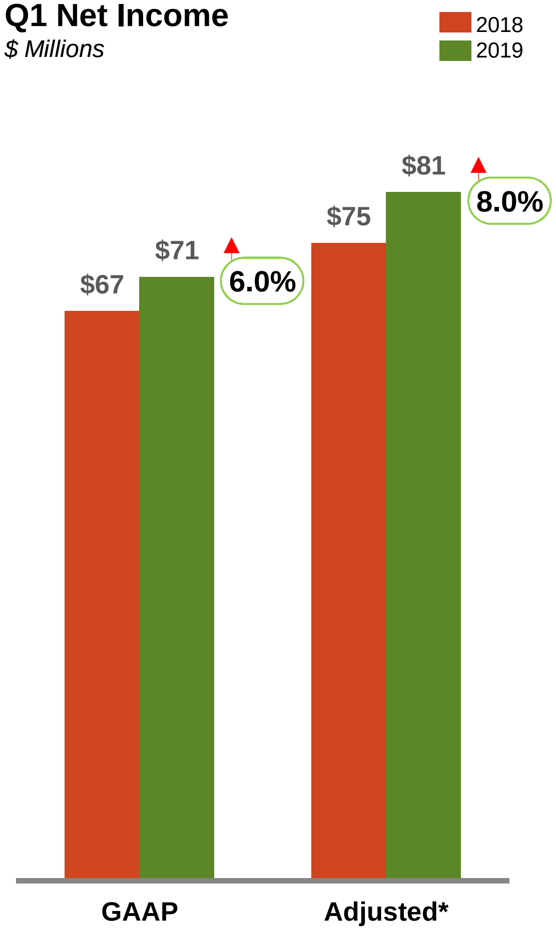
* Reconciliations of non-GAAP measures are provided in the Appendix

Key profitability metrics improved year-over-year

Q1 Adjusted EBITDA*
$ Millions; Percent of Sales

Q1 Adjusted Diluted Earnings Per Share*
$

Q1 Net Income
$ Millions

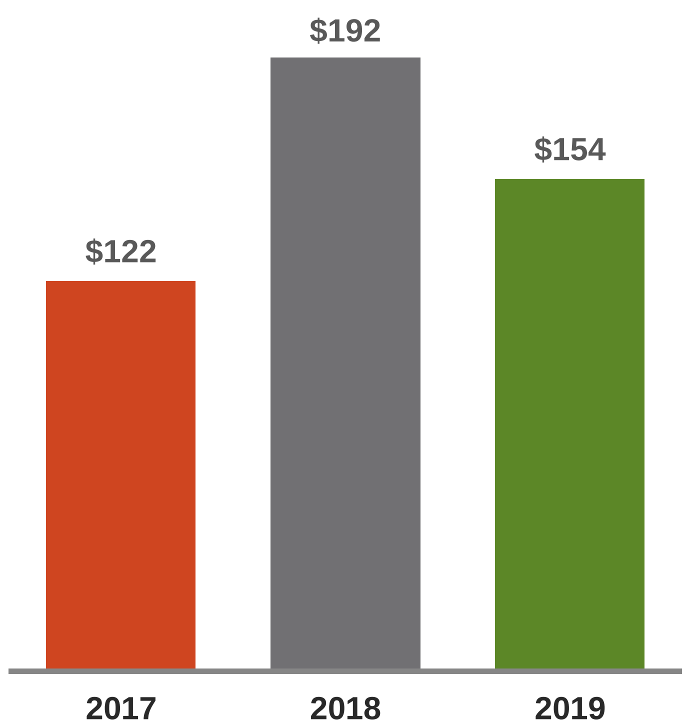


* Reconciliations of non-GAAP measures are provided in the Appendix

Strong operating cash flow; Net Debt continues to decline

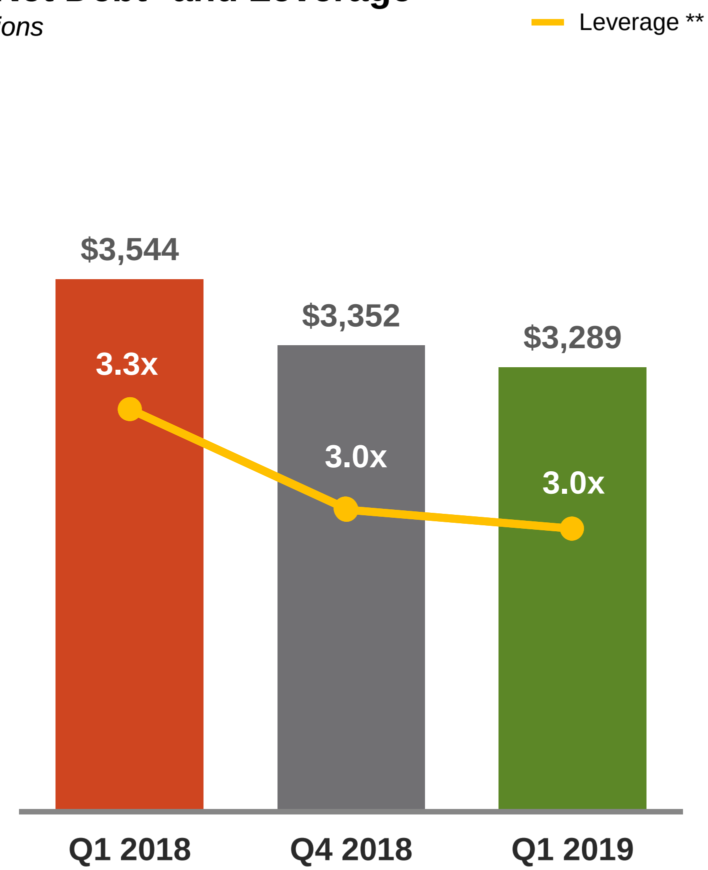
Q1 Operating Cash Flow

$ Millions



Q1 Net Debt* and Leverage

$ Millions



* Reconciliations of non-GAAP measures are provided in the Appendix

** Net Debt / TTM Adjusted EBITDA reconciliation provided in the Appendix

Reiterating full year fiscal 2019 guidance

	Guidance
Case Growth	1-2%
Adjusted EBITDA Growth	At Least 5%
Cash CAPEX (excluding future acquisitions)	$260-270 million
Interest Expense	$170-175 million
Depreciation & Amortization	$340-350 million
Adjusted Effective Tax Rate	25-26%
Adjusted Diluted EPS	$2.15-2.25

APPENDIX:

- Q1 Fiscal 2019 Summary
- Non-GAAP Reconciliations

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First Quarter Financial Performance

($ in millions, except per share data*)	Reported (unaudited) 13-Weeks Ended March 30, 2019	March 31, 2018	Change	Adjusted [1] (unaudited) 13-Weeks Ended March 30, 2019	March 31, 2018	Change
Case Growth			1.4%			
Net Sales	6,031	5,823	3.6%			
Gross Profit	1,052	992	6.0%	1,050	1,011	3.9%
% of Net Sales	17.4%	17.0%	40 bps	17.4%	17.4%	0 bps
Operating Expenses	921	889	3.6%	820	790	3.8%
% of Net Sales	15.3%	15.3%	0 bps	13.6%	13.6%	0 bps
Net Income	71	67	6.0%	81	75	8.0%
Diluted EPS	$0.32	$0.31	3.2%	$0.37	$0.35	5.7%
Adjusted EBITDA				232	224	3.6%
Adjusted EBITDA Margin [2]				3.8%	3.8%	0 bps

* Prior year amounts may have been rounded to conform with the current year presentation.
(1) Reconciliations of these non-GAAP measures are provided in the Appendix.
(2) Represents Adjusted EBITDA as a percentage of Net Sales.

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

	13-Weeks Ended (unaudited)	
($ in millions)*	March 30, 2019	March 31, 2018
Gross profit (GAAP)	**$1,052**	**$992**
LIFO reserve change [(1)]	(2)	19
Adjusted Gross profit (Non-GAAP)	**$1,050**	**$1,011**
Operating expenses (GAAP)	**$921**	**$889**
Adjustments:		
Depreciation and amortization expense	(81)	(81)
Restructuring charges [(2)]	—	(2)
Share-based compensation expense [(3)]	(6)	(7)
Business transformation costs [(4)]	(1)	(8)
SGA acquisition related costs and other [(5)]	(13)	(1)
Adjusted Operating expenses (Non-GAAP)	**$820**	**$790**

* Prior year amounts may have been rounded to conform with the current year presentation.
(1) Represents the non-cash impact of LIFO reserve adjustments.
(2) Consists primarily of severance and related costs and organizational realignment costs.
(3) Share-based compensation expense for expected vesting of stock and option awards and employee stock purchase plan.
(4) Consists primarily of costs related to significant process and systems redesign across multiple functions.
(5) Other includes gains, losses or charges as specified under the agreements governing our indebtedness. The 2019 balance primarily consists of acquisition related costs.

Non-GAAP Reconciliation - Adjusted EBITDA and Adjusted Net Income

($ in millions)*	13-Weeks Ended (unaudited) March 30, 2019	13-Weeks Ended (unaudited) March 31, 2018
Net income (GAAP)	**$71**	**$67**
Interest expense—net	42	43
Income tax provision (benefit)	20	(4)
Depreciation and amortization expense	81	81
EBITDA (Non-GAAP)	**$214**	**$187**
Adjustments:		
Restructuring charges (1)	—	2
Share-based compensation expense (2)	6	7
LIFO reserve change (3)	(2)	19
Business transformation costs (4)	1	8
SGA acquisition related costs and other (5)	13	1
Adjusted EBITDA (Non-GAAP)	**$232**	**$224**
Adjusted EBITDA (Non-GAAP)	**$232**	**$224**
Depreciation and amortization expense	(81)	(81)
Interest expense—net	(42)	(43)
Income tax provision, as adjusted (6)	(28)	(25)
Adjusted Net income (Non-GAAP)	**$81**	**$75**

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(1) Consists primarily of severance and related costs and organizational realignment costs.
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(3) Represents the non-cash impact of LIFO reserve adjustments
(4) Consists primarily of costs related to significant process and systems redesign across multiple functions.
(5) Other includes gains, losses or charges as specified under the agreements governing our indebtedness. The 2019 balance primarily consists of acquisition related costs.
(6) Represents our income tax benefit 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 considering the impact of permanent differences and valuation allowances.

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

	13-Weeks Ended (unaudited)	
	March 30, 2019	March 31, 2018
Diluted EPS (GAAP)	**$0.32**	**$0.31**
Restructuring charges (1)	—	0.01
Share-based compensation expense (2)	0.03	0.03
LIFO reserve change (3)	(0.01)	0.09
Business transformation costs (4)	—	0.04
SGA acquisition related costs and other (5)	0.06	—
Income tax impact of adjustments (6)	(0.03)	(0.13)
Adjusted Diluted EPS (Non-GAAP)	**$0.37**	**$0.35**
Weighted-average diluted shares outstanding (GAAP, in millions)	**219**	**217**

* Prior year amounts may have been rounded to conform with the current year presentation.
(1) Consists primarily of severance and related costs and organizational realignment costs.
(2) Share-based compensation expense for expected vesting of stock and option awards and employee stock purchase plan.
(3) Represents the non-cash impact of LIFO reserve adjustments.
(4) Consists primarily of costs related to significant process and systems redesign across multiple functions.
(5) Other includes gains, losses or charges as specified under the agreements governing our indebtedness. The 2019 balance primarily consists of acquisition related costs.
(6) Represents our income tax benefit 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 considering the impact of permanent differences and valuation allowances.

Non-GAAP Reconciliation - Net Debt and Net Leverage Ratios

($ in millions, except ratios)	March 30, 2019 (unaudited)	December 29, 2018 (unaudited)	March 31, 2018 (unaudited)
Total Debt (GAAP)	**$3,381**	**$3,457**	**$3,630**
Cash, cash equivalents and restricted cash	(92)	(105)	(86)
Net Debt (Non-GAAP)	**$3,289**	**$3,352**	**$3,544**
Adjusted EBITDA (1)	$1,111	$1,103	$1,067
Net Leverage Ratio (2)	**3.0**	**3.0**	**3.3**

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

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