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Q4 and Fiscal Year 2018 Results

February 12, 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.

With respect to the contemplated acquisition of the SGA Food Group of Companies, these forward-looking statements include, but are not limited to, financial estimates, statements as to the completion and benefits or effects of the acquisition, including financial and operating results, the combined company's plans, objectives, expectations and intentions, and other statements that are not historical facts. Among the risks and uncertainties that could cause actual results to differ from those expressed in the forward-looking statements are: (1) the occurrence of any event, change or other circumstance that could give rise to the termination of the purchase agreement, (2) the risk that the necessary regulatory approvals may not be obtained as a result of conditions that are not anticipated, (3) risks that any of the closing conditions to the acquisition may not be satisfied in a timely manner, (4) failure to realize the benefits of the acquisition, (5) the effect of the announcement of the acquisition on the ability of the SGA Food Group of Companies to retain customers, retain and hire key personnel and maintain relationships with suppliers, as well as on their operating results and businesses generally, and (6) potential litigation in connection with the acquisition.

For a detailed discussion of risks and uncertainties, see the sections entitled "Risk Factors" and "Forward-Looking Statements" in our Annual Report on Form 10-K for the fiscal year ended December 30, 2017, which was filed with the Securities and Exchange Commission on February 27, 2018 and is available on our Investor Relations website and via EDGAR at www.sec.gov. 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.

Q4 results show improving trends

Positive total case volume for the month of December

- Independent case volume exceeded 4% exit rate
- Healthcare/Hospitality case volume below 2% exit rate
- All Other case volume in line with a roughly flat exit rate

Continue to expand operating leverage

- Private brands increased 100bps; now account for 35% of sales dollars
- Positive YOY impact from freight

Q4’18 Adjusted EBITDA growth of 2.4% impacted by unanticipated items

Fiscal 2019 Adjusted EBITDA growth expected to be at least 5%

Progress made during 2018 enables future growth

1. Attractive industry with favorable outlook

- Restaurant demand and consumer spending are strong
- Independents gaining share
- Innovative players with scale are benefiting

2. Progress on differentiated strategy

- Private brand growth and improved customer mix
- Completed implementation of our team-based selling model
- Good progress on multi-channel model

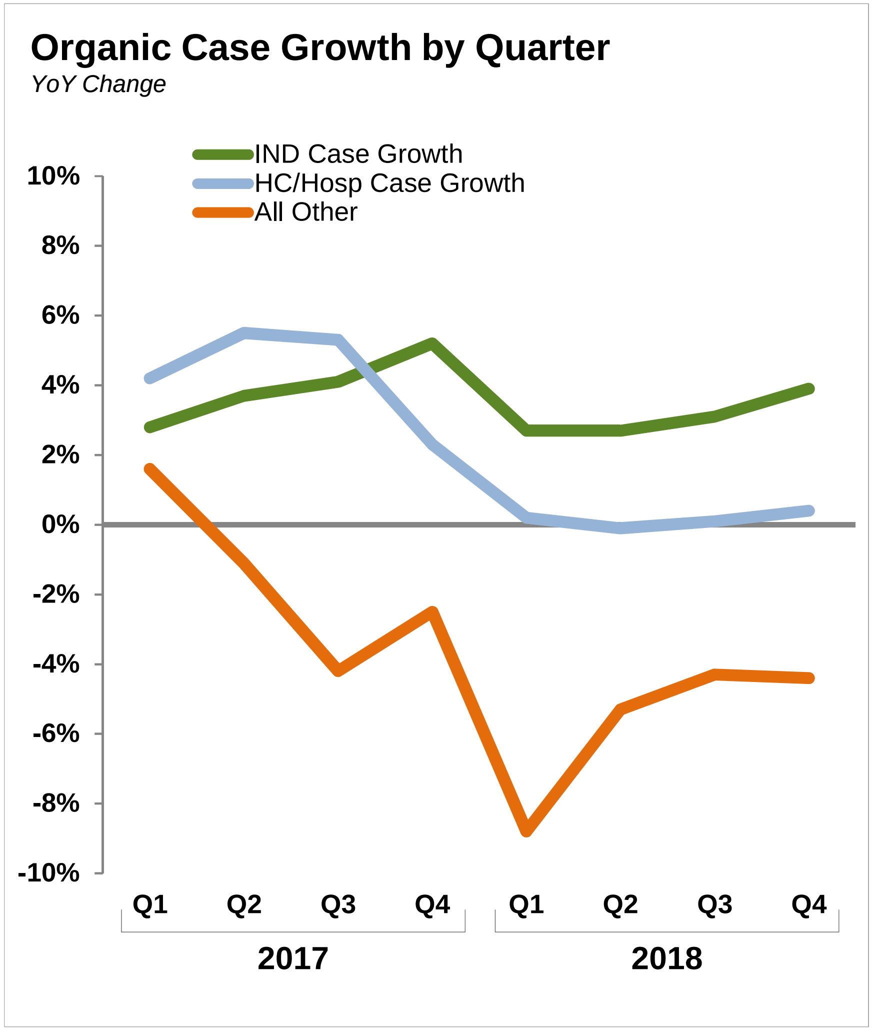
3. Significant cost reduction opportunities

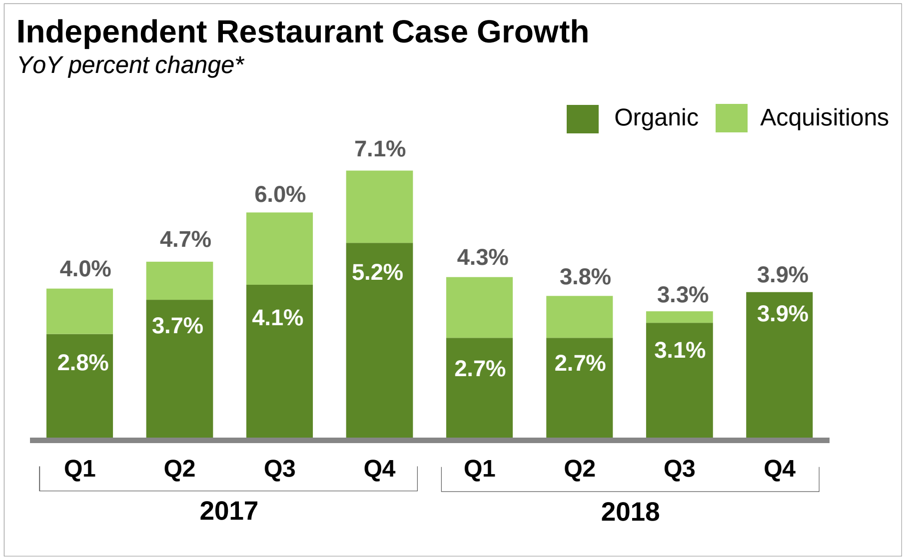
- Day-over-day routing is reducing miles
- New voice activated picking system slated for 2019 rollout
- Additional initiatives being deployed
- CI staffing progressing as planned

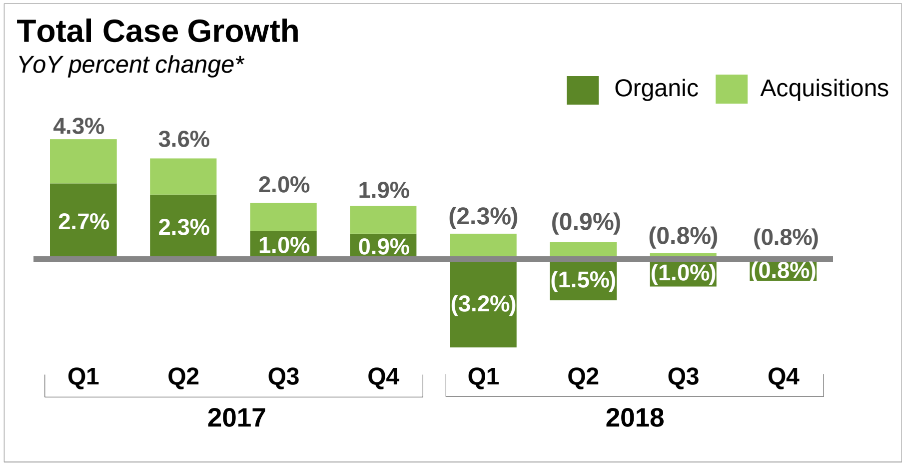
4. SGA Food Group update

- Will provide scale in growing NW region
- Strong COP and produce capabilities
- Integration planning going well

Organic case growth showing sequential improvement







* Impacts of weather, calendar and sales promotions (Q1 2018 only) on a YOY basis.

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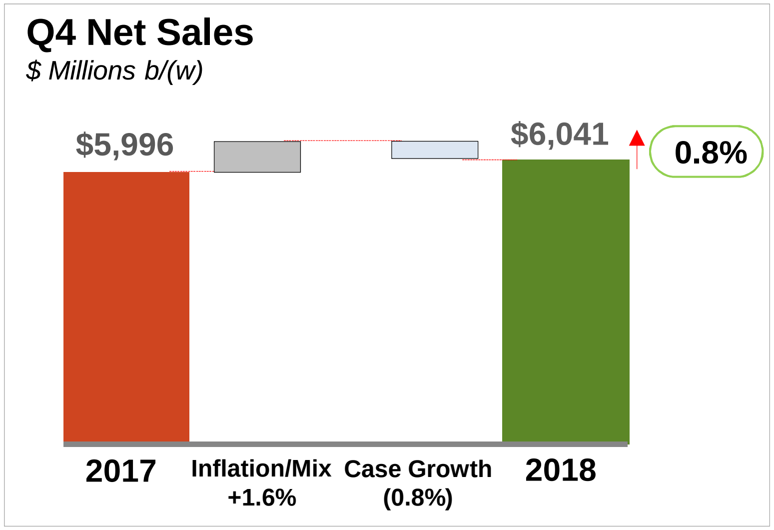
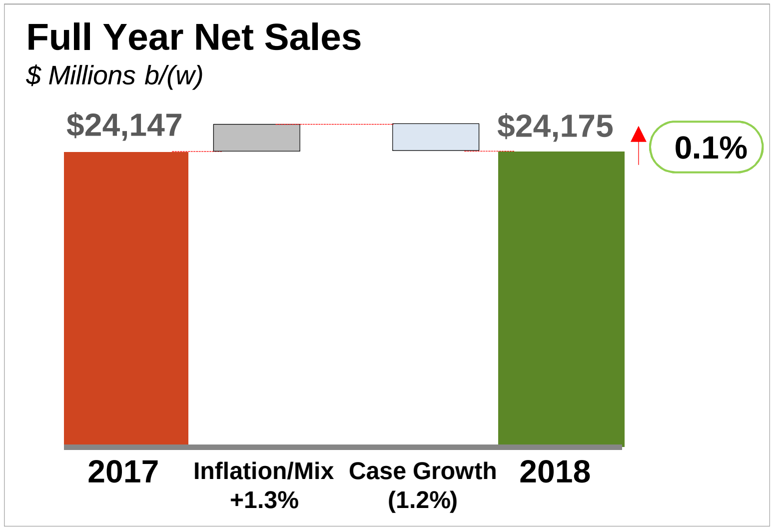
Volume growth with independents and a return of inflation is driving a modest increase in sales dollars

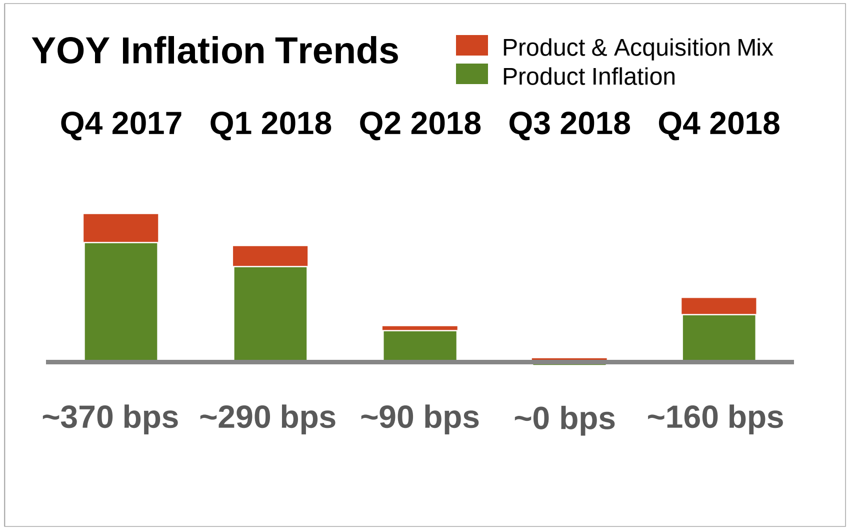




Results Summary

Net Sales drivers:

- Volume growth with independent restaurants
- Total organic volume declined, primarily on exits
- Q4'18: Positive impact from inflation and mix



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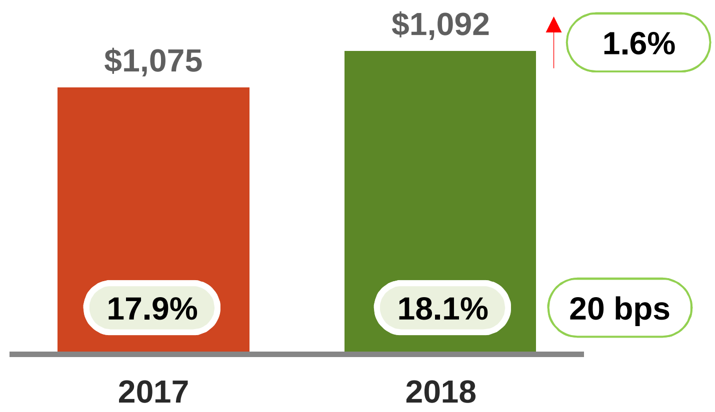
Gross profit dollar growth coming from positive customer mix and margin initiatives

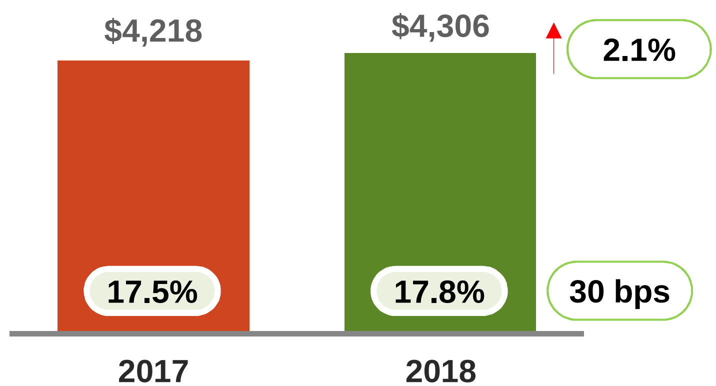
Q4 Gross Profit

$ Millions; Percent of Sales b/(w)



Full Year Gross Profit

$ Millions; Percent of Sales b/(w)



Results Summary

Gross Profit drivers:

- Positive customer mix impact
- Margin initiatives driving gains
  - Private brand growth of ~100 bps
  - Product sourcing
  - Positive YOY impact from freight

Adjusted Gross Profit*

Q4'18: $1.1B, better $18M or 1.7%
18.1% of sales, better 20 bps

FY'18: $4.3B, better $72M or 1.7%
17.8% of sales, better 30 bps

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

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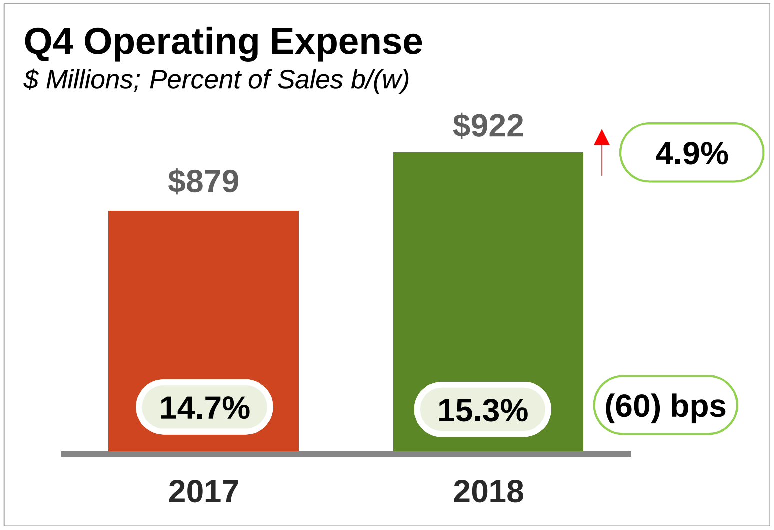
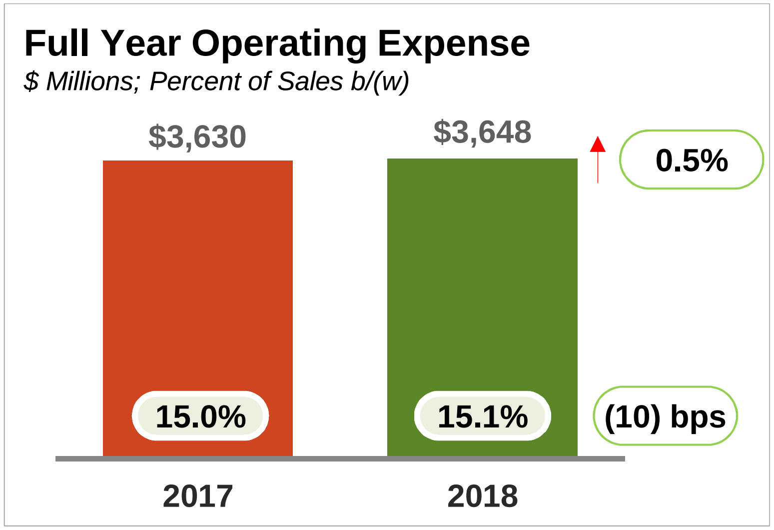
Higher fuel and wage costs partially offset by expense control initiatives





Results Summary

Operating Expense drivers:

- Higher wage and fuel costs
- Unfavorable volume deleveraging on fixed costs
- Higher acquisition related costs
- Favorable reductions in miles driven from day-over-day routing
- Q4’18: higher healthcare claims

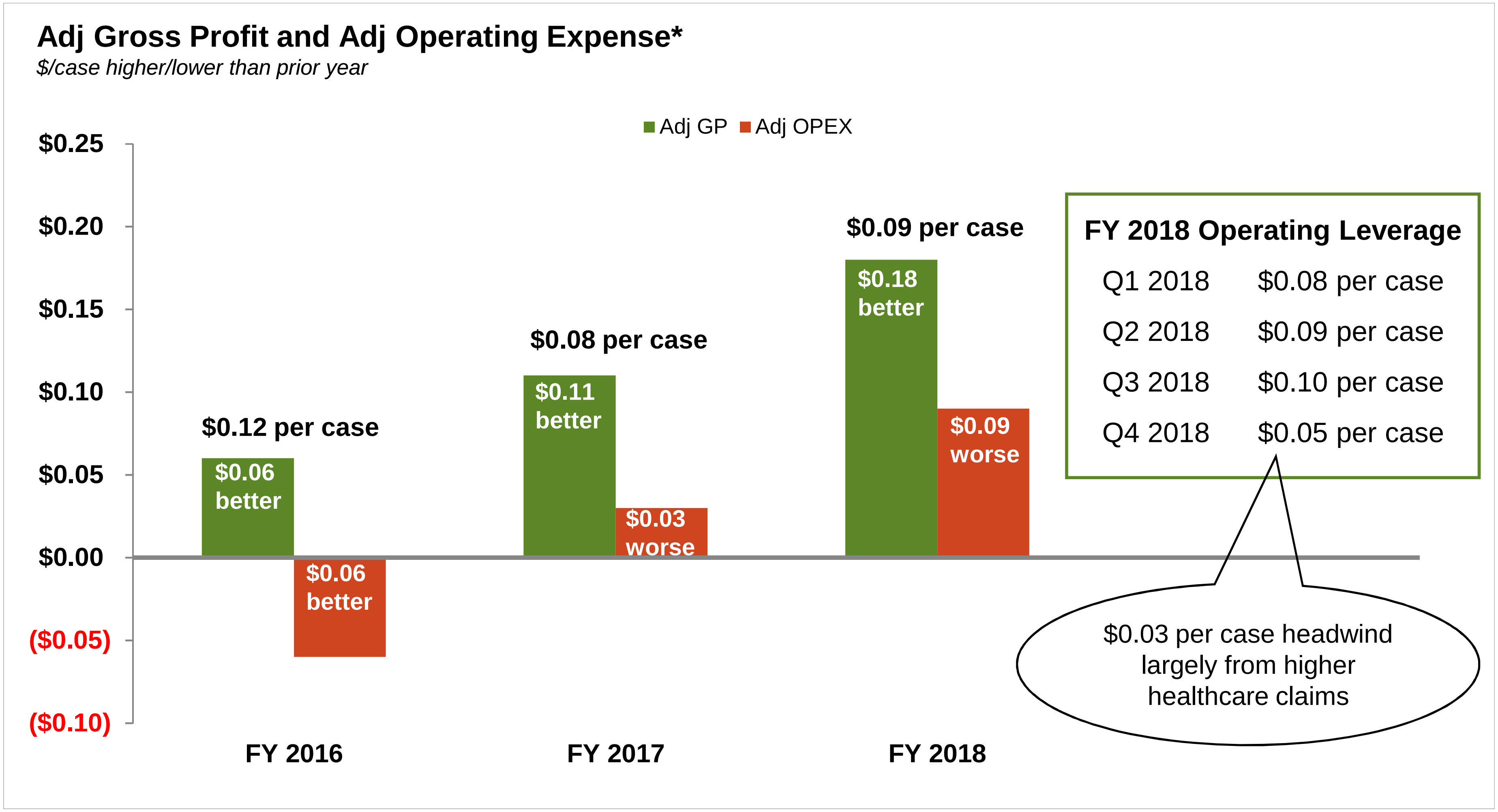
Adjusted Operating Expense*

Q4’18: $800M, worse $15M or 1.9%
13.2% of sales, worse 10 bps

FY’18: $3.2B, worse $36M or 1.1%
13.3% of sales, worse 10 bps

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

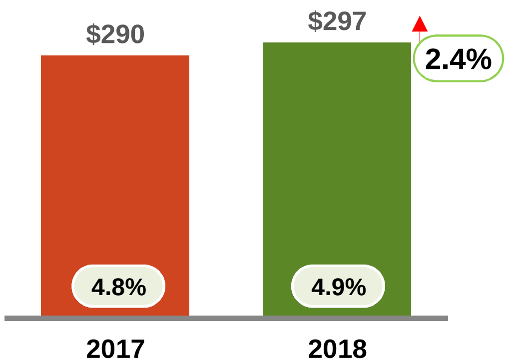
Growth in Gross Profit per case consistently outpacing growth in Operating Expense per case



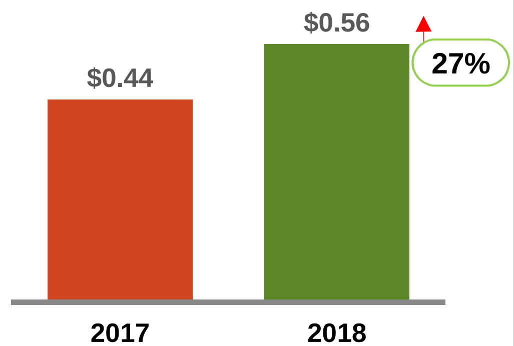
* Reconciliations of non-GAAP measures are provided in the Appendix

Key profitability metrics improved over prior year

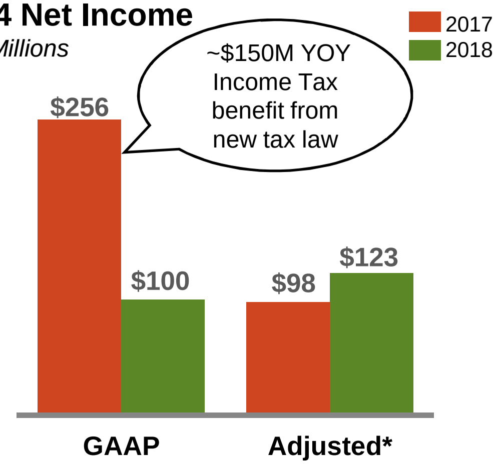
Q4 Adjusted EBITDA*
$ Millions; Percent of Sales



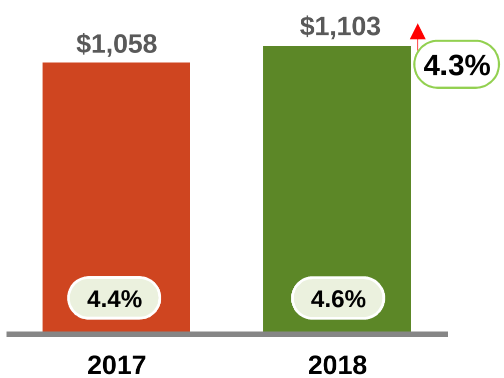
Q4 Adjusted Diluted Earnings Per Share*
$



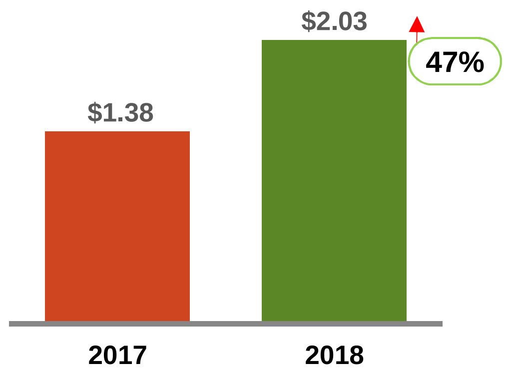
Q4 Net Income
$ Millions



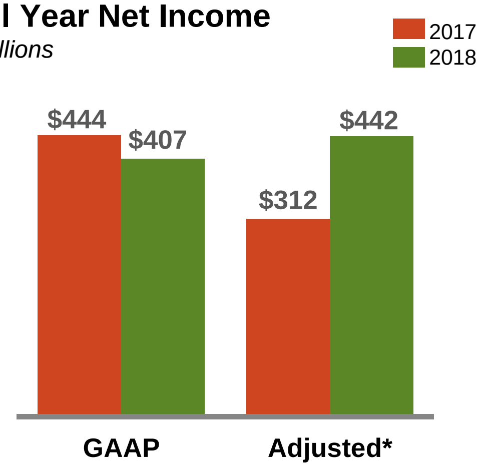
Full Year Adjusted EBITDA*
$ Millions; Percent of Sales



Full Year Adjusted Diluted Earnings Per Share*
$



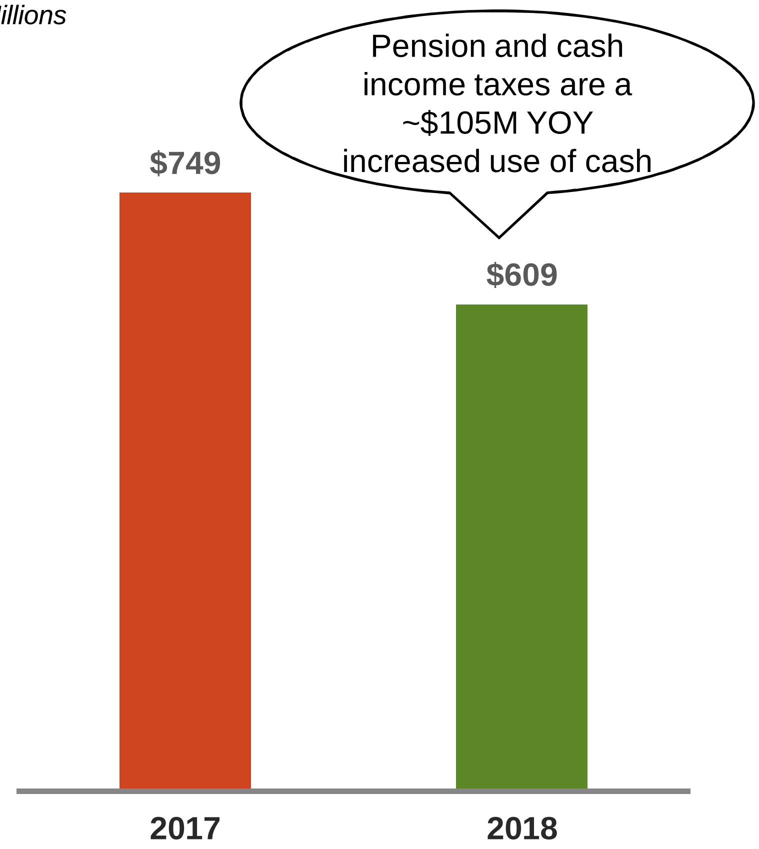
Full Year Net Income
$ Millions



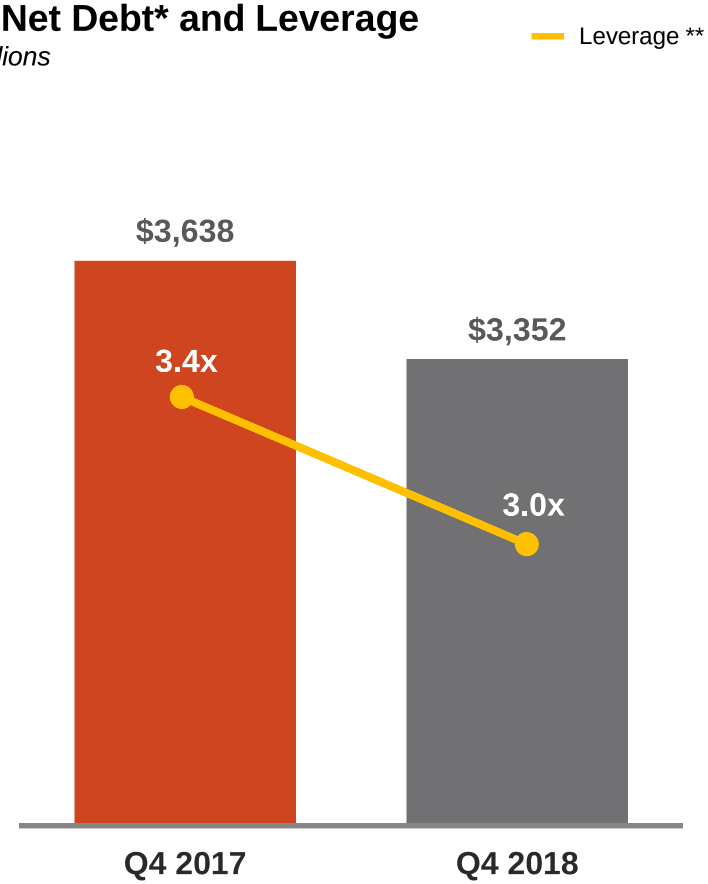
* Reconciliations of non-GAAP measures are provided in the Appendix

Strong cash flow offset by higher cash taxes and additional pension contribution; leverage continues to improve

Full Year Operating Cash Flow
$ Millions



Q4 Net Debt* and Leverage
$ Millions



* Reconciliations of non-GAAP measures are provided in the Appendix
** Net Debt / TTM Adjusted EBITDA reconciliation provided in Appendix

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
Adj Effective Tax Rate	25-26%
Adjusted Diluted EPS	$2.15-2.25

APPENDIX:

- Q4 FISCAL 2018 SUMMARY
- NON-GAAP RECONCILIATIONS

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Fourth Quarter Financial Performance

($ in millions, except per share data*)	Reported (unaudited) 13-Weeks Ended December 29, 2018	December 30, 2017	Change	Adjusted [1] (unaudited) 13-Weeks Ended December 29, 2018	December 30, 2017	Change
Case Growth			(0.8)%			
Net Sales	6,041	5,996	0.8%			
Gross Profit	1,092	1,075	1.6%	1,093	1,075	1.7%
% of Net Sales	18.1%	17.9%	20 bps	18.1%	17.9%	20 bps
Operating Expenses	922	879	4.9%	800	785	1.9%
% of Net Sales	15.3%	14.7%	60 bps	13.2%	13.1%	10 bps
Net Income	100	256	(60.9)%	123	98	25.5%
Diluted EPS	$0.46	$1.15	(60.0)%	$0.56	$0.44	27.3%
Adjusted EBITDA				297	290	2.4%
Adjusted EBITDA Margin [2]				4.9%	4.8%	10 bps

* Prior year amounts may be 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.

Full Year Financial Performance

	Reported (unaudited)			Adjusted [1] (unaudited)		
	52-Weeks Ended			52-Weeks Ended		
($ in millions, except per share data*)	December 29, 2018	December 30, 2017	Change	December 29, 2018	December 30, 2017	Change
Case Growth			(1.2)%			
Net Sales	24,175	24,147	0.1%			
Gross Profit	4,306	4,218	2.1%	4,306	4,234	1.7%
% of Net Sales	17.8%	17.5%	30 bps	17.8%	17.5%	30 bps
Operating Expenses	3,648	3,630	0.5%	3,216	3,180	1.1%
% of Net Sales	15.1%	15.0%	10 bps	13.3%	13.2%	10 bps
Net Income	407	444	(8.3)%	442	312	41.7%
Diluted EPS	$1.87	$1.97	(5.1)%	$2.03	$1.38	47.1%
Adjusted EBITDA				1,103	1,058	4.3%
Adjusted EBITDA Margin [2]				4.6%	4.4%	20 bps

* Prior year amounts may be 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

($ in millions)*	13-Weeks Ended (unaudited)		52-Weeks Ended (unaudited)	
	December 29, 2018	December 30, 2017	December 29, 2018	December 30, 2017
Gross profit (GAAP)	**$1,092**	**$1,075**	**$4,306**	**$4,218**
LIFO reserve change (1)	**1**	—	—	14
Impact from hurricanes (2)	—	—	—	2
Adjusted Gross profit (Non-GAAP)	**$1,093**	**$1,075**	**$4,306**	**$4,234**
Operating expenses (GAAP)	**$922**	**$879**	**$3,648**	**$3,630**
Adjustments:				
Depreciation and amortization expense	(90)	(84)	(340)	(378)
Restructuring charges (3)	(1)	4	(1)	1
Share-based compensation expense (4)	(8)	(6)	(28)	(21)
Business transformation costs (5)	(4)	(7)	(22)	(40)
Other (6)	(19)	(1)	(41)	(12)
Adjusted Operating expenses (Non-GAAP)	**$800**	**$785**	**$3,216**	**$3,180**

* Prior year amounts may be rounded to conform with the current year presentation
(1) Represents the non-cash impact of LIFO reserve adjustments.
(2) Impact from hurricanes in 2017 consists of costs recognized in cost of sales for inventory losses and product donations that we made for hurricane relief.
(3) Consists primarily of severance and related costs and organizational realignment costs.
(4) Share-based compensation expense for expected vesting of stock awards and share purchase plan.
(5) Consists primarily of costs related to significant process and systems redesign across multiple functions.
(6) Other includes gains, losses or charges as specified in the agreements governing our indebtedness. The 2018 balance primarily consists of acquisition related costs.

Non-GAAP Reconciliation - Adjusted EBITDA and Adjusted Net Income

($ in millions)*	13-Weeks Ended (unaudited) December 29, 2018	13-Weeks Ended (unaudited) December 30, 2017	52-Weeks Ended (unaudited) December 29, 2018	52-Weeks Ended (unaudited) December 30, 2017
Net income (GAAP)	**$100**	**$256**	**$407**	**$444**
Interest expense—net	42	44	175	170
Income tax provision (benefit)	32	(119)	89	(40)
Depreciation and amortization expense	90	84	340	378
EBITDA (Non-GAAP)	**$264**	**$265**	1,011	952
Adjustments:				
Restructuring charges (1)	1	(4)	1	(1)
Share-based compensation expense (2)	8	6	28	21
LIFO reserve change (3)	1	—	—	14
Pension settlements (4)	—	15	—	18
Business transformation costs (5)	4	7	22	40
Other (6)	19	1	41	14
Adjusted EBITDA (Non-GAAP)	**$297**	**$290**	**$1,103**	**$1,058**
Adjusted EBITDA (Non-GAAP)	**$297**	**$290**	**$1,103**	**$1,058**
Depreciation and amortization expense	(90)	(84)	(340)	(378)
Interest expense—net	(42)	(44)	(175)	(170)
Income tax provision, as adjusted (7)	(42)	(64)	(146)	(198)
Adjusted Net income (Non-GAAP)	**$123**	**$98**	**$442**	**$312**

* Prior year amounts may be 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 awards and share purchase plan.

(3) Represents the non-cash impact of LIFO reserve adjustments

(4) Consists of settlement charges resulting from lump-sum payments to retirees and former employees participating in a Company sponsored pension plan.

(5) Consists primarily of costs related to significant process and systems redesign across multiple functions.

(6) Other includes gains, losses or charges as specified in the agreements governing our indebtedness. The 2018 balance primarily consists of acquisition related costs.

(7) 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)		52-Weeks Ended (unaudited)	
	December 29, 2018	December 30, 2017	December 29, 2018	December 30, 2017
Diluted EPS (GAAP)	**$0.46**	**$1.15**	**$1.87**	**$1.97**
Restructuring charges (1)	—	(0.02)	—	—
Share-based compensation expense (2)	0.04	0.03	0.13	0.09
LIFO reserve change (3)	—	—	—	0.06
Pension settlements (4)	—	0.07	—	0.08
Business transformation costs (5)	0.02	0.03	0.10	0.18
Other (6)	0.09	—	0.19	0.06
Income tax impact of adjustments (7)	(0.05)	(0.82)	(0.26)	(1.06)
Adjusted Diluted EPS (Non-GAAP)	**$0.56**	**$0.44**	**$2.03**	**$1.38**
Weighted-average diluted shares outstanding (GAAP)	**218,212,582**	**223,678,006**	**217,825,545**	**225,663,785**

* Prior year amounts may be rounded to conform with the current year presentation

(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.

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Non-GAAP Reconciliation - Net Debt and Net Leverage Ratios

($ in millions, except ratios)*	(unaudited) December 29, 2018	(unaudited) December 30, 2017
Total Debt (GAAP)	**$3,457**	**$3,757**
Cash, cash equivalents and restricted cash	(105)	(119)
Net Debt (Non-GAAP)	**$3,352**	**$3,638**
Adjusted EBITDA (1)	$1,103	$1,058
Net Leverage Ratio (2)	**3.0**	**3.4**

* Prior year amounts may be rounded to conform with the current year presentation
(1) Trailing Twelve Months (TTM) Adjusted EBITDA
(2) Net debt/(TTM) Adjusted EBITDA

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