Third Quarter Fiscal Year 2024 Results

November 7, 2024

US FOODS WE HELP YOU MAKE IT®

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.

Delivered Strong Q3 Financial Results

	Q3 2024
Growing Volume	+3.8%
Growing Net Sales	+6.8%
Growing Adjusted EBITDA[1]	+13.2%
Growing Adjusted EBITDA Margin[1]	+27 bps
Growing Adjusted Diluted EPS[1]	+21.4%

Note: Represents change versus the same period in the prior year

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

Consistent Execution Enabled Strong Results

1. Delivered strong Adjusted EBITDA and Adjusted EBITDA margin growth through consistent execution of initiatives despite the softer macro environment

2. Drove volume growth and captured market share in our target customer types: independent restaurants, healthcare and hospitality

3. Significantly accelerated share repurchases underpinned by a strong capital structure

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

OUR STRATEGY

CULTURE — EMBRACE THE US FOODS® CULTURE | **SERVICE** — DELIVER WORLD-CLASS SERVICE | **GROWTH** — GROW MARKET SHARE | **PROFIT** — EXPAND EBITDA MARGIN

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

Embrace the US Foods Culture

- Sustaining a strong safety culture; safety performance improved by 21% over prior year
- Continued financial support of the American Red Cross to aid nationwide relief operations for major disasters, including recent hurricanes
- Announced a national partnership with the Military Family Advisory Network, a hunger-relief program supporting military families
- Expanded our partnership with Feeding America, the largest hunger-relief program in the U.S., as part of our “Helping Communities Make It” program in seven additional communities

OUR STRATEGY

CULTURE
EMBRACE THE US FOODS® CULTURE

SERVICE
DELIVER WORLD-CLASS SERVICE

GROWTH
GROW MARKET SHARE

PROFIT
EXPAND EBITDA MARGIN

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

- Continued progress on Descartes rollout: now live in 15 markets with 11 more planned this year; remain on track for ~50% of routed miles on Descartes by year-end
- UMOS, our platform to operate more safely and efficiently is now live in 18 markets with six more planned for this year
- Introduced food cost calculator feature embedded into MOXē® to help our customers track and manage food costs over time, providing valuable insights to help them with their menu prices, inventory and product selection

OUR STRATEGY

CULTURE EMBRACE THE US FOODS® CULTURE | **SERVICE** DELIVER WORLD-CLASS SERVICE | **GROWTH** GROW MARKET SHARE | **PROFIT** EXPAND EBITDA MARGIN

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 COP

Grow Profitable Market Share

- Grew Pronto, our small truck delivery service, to now cover 40 markets; on track for ~$700M in annualized sales
- Expanded Pronto Penetration from two pilots to six; extends Pronto service to existing independent customers
- Targeted business development activity drove new business wins; onboarded $100M+ in annualized sales in Healthcare and Hospitality
- Launched our Fall Scoop™ with 24 new on-trend products that help operators differentiate their menu with items that help address inventory, labor and time management costs

PROFIT

EXPAND EBITDA MARGIN

MARGIN: Expand through EB 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

- Grew Adjusted GP ~240 basis points faster than Adjusted OpEx, driving 27 basis points of Adjusted EBITDA margin expansion
- Drove additional progress on COGS through strategic vendor management work with ~$70M realized year-to-date; expect to deliver $230M+ in COGS savings in current 2022-2024 long-range plan
- Delivered 3.5% improvement in warehouse productivity, in line with our goal of 3% to 5% annual productivity gains, to offset wage inflation
- On track to deliver more than $20M in indirect spend procurement savings in 2024

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


HONORING ALL
WHO HAVE SERVED
VETERANS DAY 2024

Third Quarter Fiscal Year 2024 Financial Review

Dirk Locascio
Chief Financial Officer

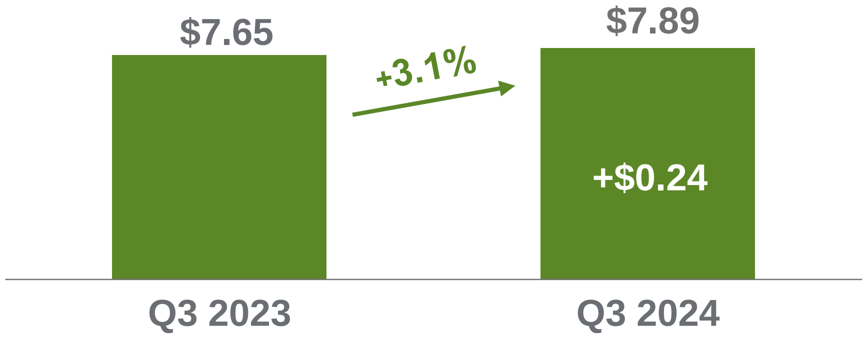
Delivered Continued Sales and Earnings Growth

	Q3 2024	B/(W) vs. Q3 2023	YTD 2024	B/(W) vs. YTD 2023
Total Case Volume		+3.8%		+4.4%
Independent Restaurant Case Volume		+4.1%		+4.8%
Healthcare Case Volume		+5.7%		+6.1%
Hospitality Case Volume		+3.0%		+2.0%
Net Sales ($millions)	$9,728	+6.8%	$28,386	+6.5%
Adjusted EBITDA[1] ($millions)	$455	+13.2%	$1,300	+11.0%
Adjusted EBITDA Margin[1]	4.7%	+27 bps	4.6%	+19 bps
Adjusted Diluted EPS[1]	$0.85	+21.4%	$2.32	+16.6%

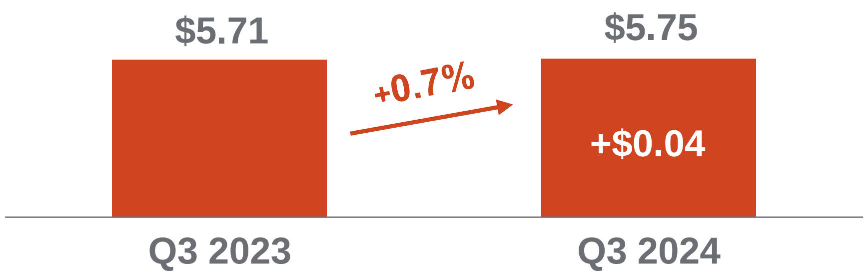
(1) Reconciliations of these non-GAAP measures are provided in the Appendix.

Strong Execution Drove Year-over-Year Adjusted EBITDA Rate Improvement

Adj. Gross Profit Per Case(1)



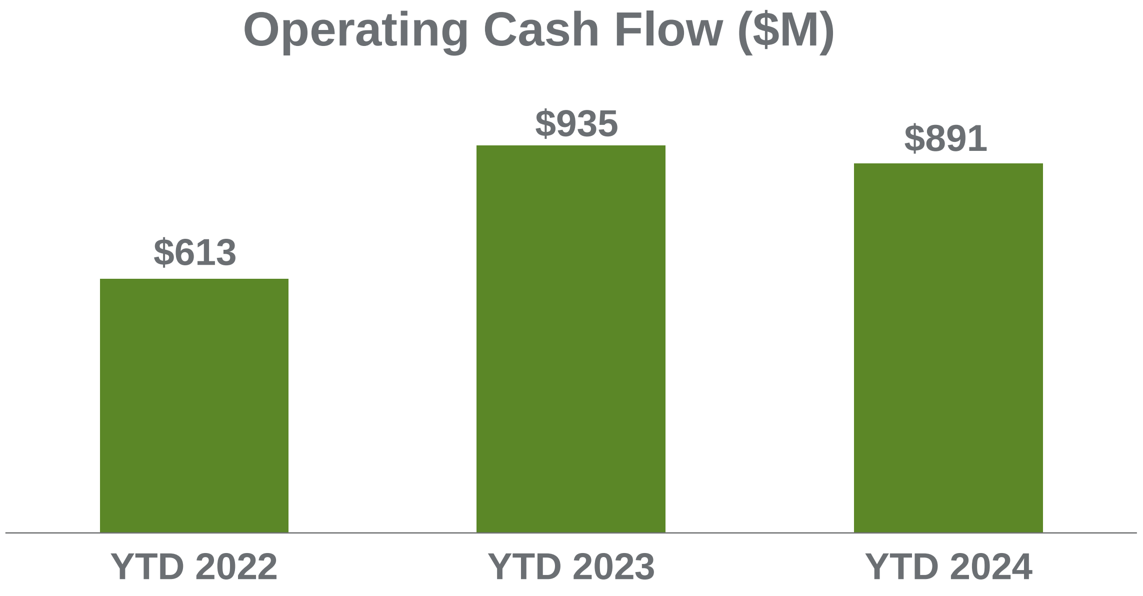
Adj. Operating Expense Per Case(1)



Adj. EBITDA Per Case(1)

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

Strong Operating Cash Flow Yields Financial Flexibility



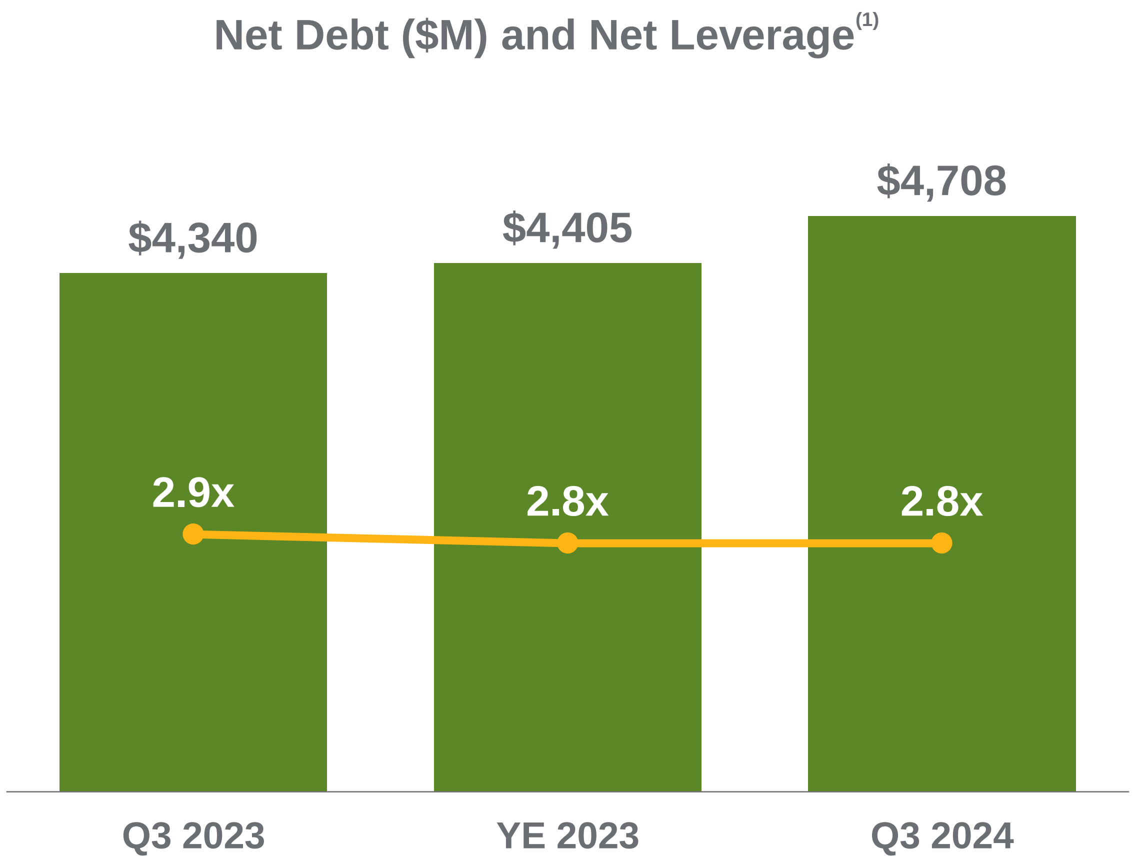
	YTD 2022	YTD 2023	YTD 2024
Operating Cash Flow (OCF)	$613	$935	$891
Change in Net Working Capital[(1)]	$124	$188	$95
OCF less change in NWC[(1)]	**$489**	**$747**	**$796**

Capital Allocation Priorities

1. Invest in the business
2. Return capital to shareholders
3. Maintain net leverage within target range of 2.0 - 3.0x
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.

Increased Repurchases and Maintained Strong Net Leverage Profile



Strong Capital Structure

- Repurchased $580M of shares during Q3 and an additional $160M Q4 to date
- Maintained strong net leverage profile within target range of 2.0 – 3.0x
- Q4 debt refinancing:
  - Issued $500M of senior notes due 2033 and used proceeds to repay a portion of term loan facilities due 2026 and 2028
  - Extended maturity of remaining balance of term loan facility due 2026 to 2031
  - Lowered interest rate margin on both term loan facilities by 25 basis points
  - Eliminated 11 basis point credit spread adjustment on term loan facility due 2031

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

Updated Fiscal Year 2024 Guidance and Modeling Assumptions

	Updated Fiscal Year 2024 Guidance	Previous Guidance
Net Sales	$37.7B to $38.0B	$37.5B to $38.5B
Adjusted EBITDA[(1)]	$1.72B to $1.74B	$1.69B to $1.74B
Adjusted Diluted EPS[(1)]	$3.05 to $3.15	$3.00 to $3.20

Updated Modeling Assumptions		Previous Guidance
Total Case Growth	4.0% to 4.5%	4.0% to 6.0%
Sales Inflation & Mix	2.0% to 2.5%	1.0% to 2.0%
Depreciation & Amortization	$435M to $445M	$400M to $440M
Interest Expense	$310M to $320M	$320M to $335M
Tax Rate	~26%	~26%
Cash CapEx	$325M to $350M	$325M to $375M

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

Invest with Us

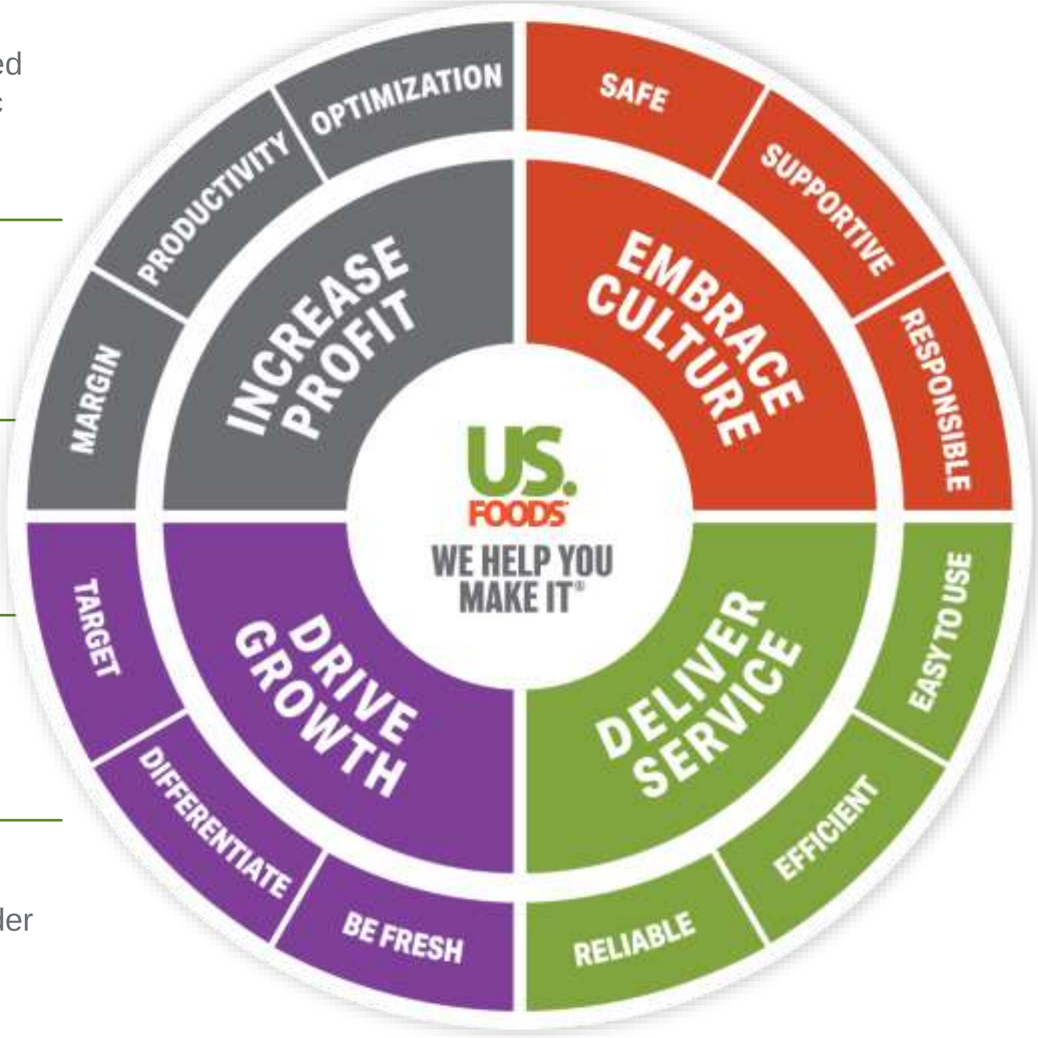
1 **Transforming US Foods** with seasoned leadership focused on customer-centric solutions, operational excellence, and strong execution

2 **Leading in a highly fragmented and resilient industry** with national scale, targeted customer growth, and digital innovation

3 **Driving balanced, profitable growth** through our four-pillar strategy to further expand our market position

4 **Leveraging game changing digital investments** and utilizing modernized platforms to provide industry-leading solutions

5 **Executing to achieve new long-term financial targets** and deliver shareholder value creation with long runway ahead



2025E to 2027E Financial Targets

~5% Net Sales CAGR

~10% Adj. EBITDA CAGR

20bps+ Annual Adj. EBITDA Margin Expansion

~20% Adj. Diluted EPS CAGR

Deployable Capital of $4B+ from 2025E to 2027E

Appendix

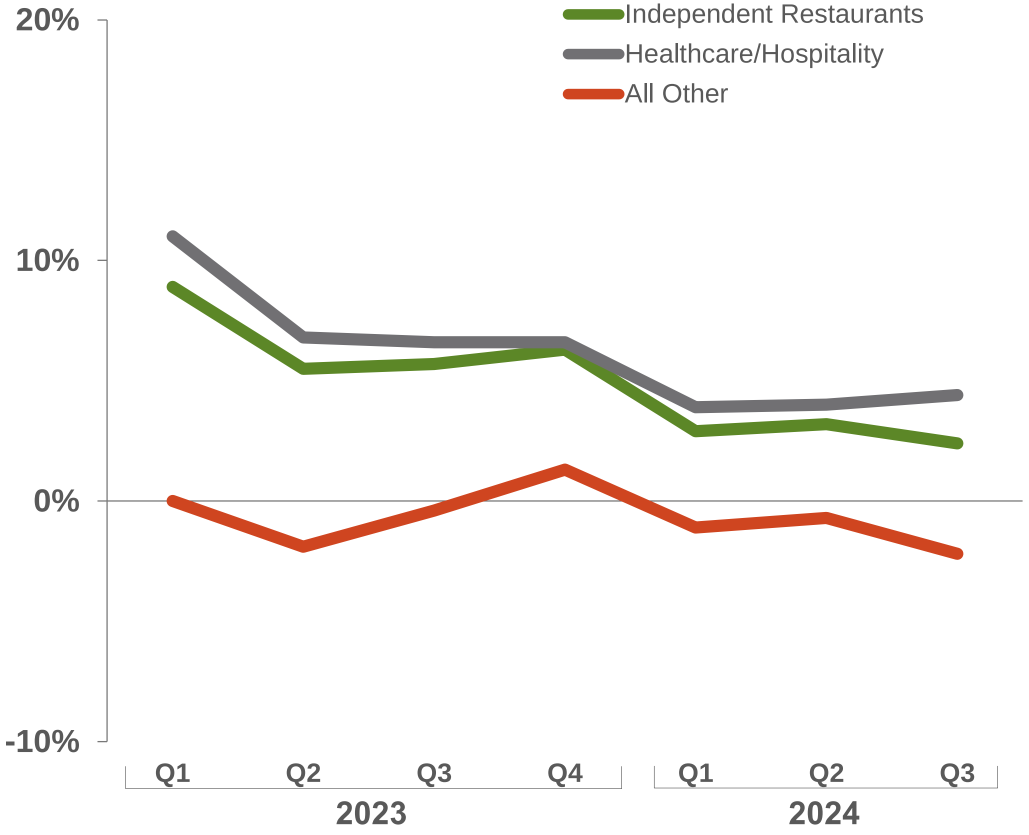
Third Quarter Fiscal Year 2024
Summary Non-GAAP Reconciliations

US FOODS

Quarterly Case Volume Trend vs. Prior Year

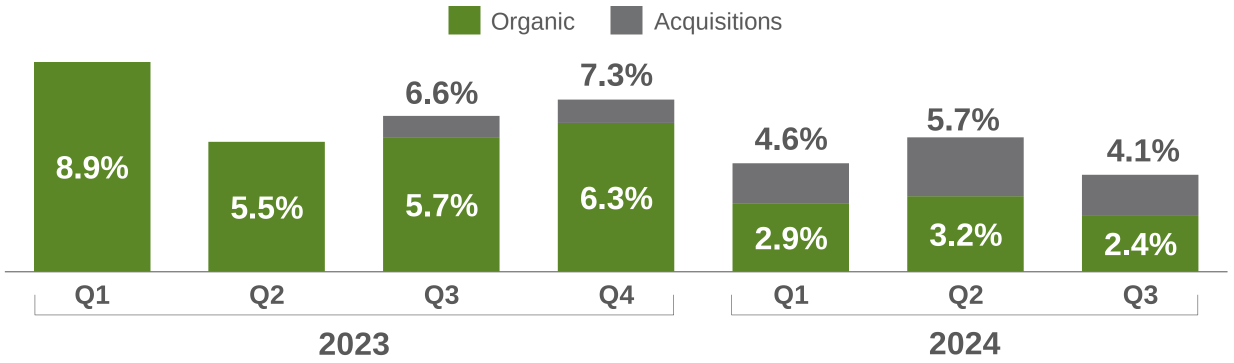
Organic Case Growth by Quarter[1]

YOY percent change



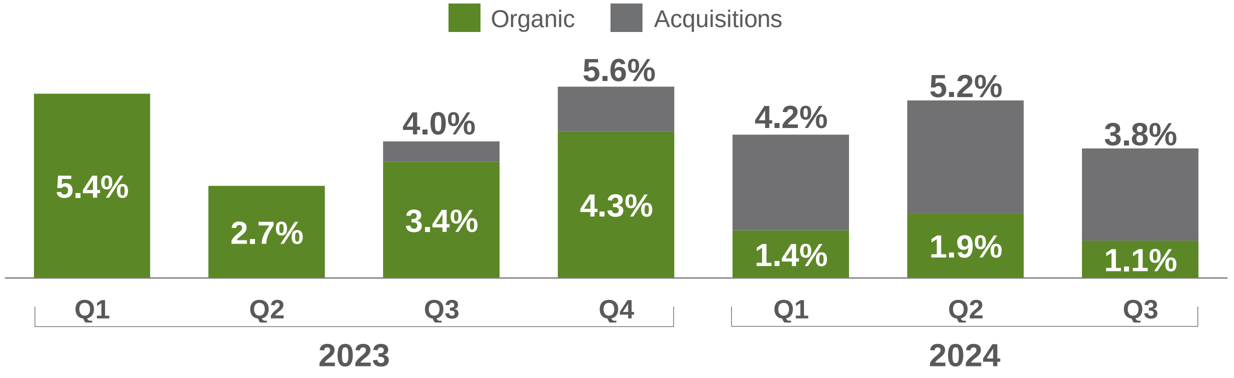
Independent Restaurant Case Growth[1]

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 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 September 28, 2024	Carrying Value as of September 28, 2024	Carrying Value as of December 30, 2023
ABL Facility	December 7, 2027	1M Term SOFR + 1.10%	6.30%	$75	-
2019 Incremental Term Loan Facility (net of $8 and $11 of unamortized deferred financing costs, respectively)	September 13, 2026	1M Term SOFR + 2.11%	7.36%	$1,101	$1,105
2021 Incremental Term Loan Facility (net of $2 and $3 of unamortized deferred financing costs, respectively)	November 22, 2028	1M Term SOFR + 2.00%	7.25%	$719	$718
Total Floating Rate Debt				**$1,895**	**$1,823**
Senior Notes due 2028 (net of $4 and $5 of unamortized deferred financing costs, respectively)	September 15, 2028		6.88%	$496	$495
Senior Notes due 2029 (net of $5 and $6 of unamortized deferred financing costs, respectively)	February 15, 2029		4.75%	$895	$894
Senior Notes due 2030 (net of $3 and $4 of unamortized deferred financing costs, respectively)	June 1, 2030		4.63%	$497	$496
Senior Notes due 2032 (net of $4 and $5 of unamortized deferred financing costs, respectively)	January 15, 2032		7.25%	$496	$495
Obligations under financing leases[1]	2024-2037		1.26%-8.31%	$502	$463
Other Debt	January 1, 2031		5.75%	$8	$8
Total Fixed Rate[1]				**$2,894**	**$2,851**
Total Debt				**$4,789**	**$4,674**
Less: Cash				($81)	($269)
Net Debt[2]				**$4,708**	**$4,405**
Net Debt Leverage Ratio[2]				**2.8x**	**2.8x**
% Floating Rate[3]				**~31%**	**~30%**

(1) Includes $28 million and $34 million of floating rate debt related to synthetic leases as of September 28, 2024 and December 30, 2023, respectively
(2) Reconciliations of these non-GAAP measures are provided in this Appendix
(3) Floating Rate % includes the impact of interest rate caps
(4) The Company's maximum exposure to the variable component of interest against term loans will be 5% on the notional amount covered by interest rate caps

- Repurchased $580M of shares during Q3 and an additional $160M Q4 to date
- Q4 debt refinancing:
  - Issued $500M of senior notes due 2033 and used proceeds to repay a portion of term loan facilities due 2026 and 2028
  - Extended maturity of remaining balance of term loan facility due 2026 to 2031
  - Lowered interest rate margin on both term loan facilities by 25 basis points
  - Eliminated 11 basis point credit spread adjustment on term loan facility due 2031

Third Quarter Financial Performance

	Reported (unaudited)			Adjusted[1] (unaudited)		
	13 Weeks Ended			13 Weeks Ended		
(Case volume and $ in millions, except per share data)	September 28, 2024	September 30, 2023	Change	September 28, 2024	September 30, 2023	Change
Case Volume	214	206	3.8%			
Net Sales	$9,728	$9,106	6.8%			
Gross Profit	$1,667	$1,542	8.1%	$1,690	$1,579	7.0%
% of Net Sales	17.1%	16.9%	21 bps	17.4%	17.3%	3 bps
Operating Expenses	$1,388	$1,312	5.8%	$1,232	$1,178	4.6%
% of Net Sales	14.3%	14.4%	(14 bps)	12.7%	12.9%	(28 bps)
Net Income	$148	$95	55.8%	$208	$174	19.5%
Diluted EPS[2]	$0.61	$0.38	60.5%	$0.85	$0.70	21.4%
Adjusted EBITDA				**$455**	**$402**	**13.2%**
Adjusted EBITDA Margin[3]				**4.7%**	**4.4%**	**27 bps**

(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

	Reported (unaudited)			**Adjusted**[1] (unaudited)		
	39 Weeks Ended			**39 Weeks Ended**		
(Case volume and $ in millions, except per share data)	**September 28, 2024**	**September 30, 2023**	**Change**	**September 28, 2024**	**September 30, 2023**	**Change**
Case Volume	633	606	4.4%			
Net Sales	$28,386	$26,661	6.5%			
Gross Profit	$4,868	$4,558	6.8%	$4,936	$4,600	7.3%
% of Net Sales	17.1%	17.1%	5 bps	17.4%	17.3%	14 bps
Operating Expenses	$4,071	$3,819	6.6%	$3,631	$3,433	5.8%
% of Net Sales	14.3%	14.3%	2 bps	12.8%	12.9%	(9 bps)
Net Income	$428	$359	19.2%	$573	$498	15.1%
Diluted EPS[2]	$1.74	$1.43	21.7%	$2.32	$1.99	16.6%
Adjusted EBITDA				**$1,300**	**$1,171**	**11.0%**
Adjusted EBITDA Margin[3]				**4.6%**	**4.4%**	**19 bps**

(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 Operating Expense per Case, Adjusted EBITDA per Case

(Total cases and $ in millions, except per case data)	**Adjusted**[1] (unaudited)			
	13 Weeks Ended		**39 Weeks Ended**	
	September 28, 2024	**September 30, 2023**	**September 28, 2024**	**September 30, 2023**
Total Cases	214	206	633	606
Adjusted GP	$1,690	$1,579	$4,936	$4,600
Adjusted GP / Case	$7.89	$7.65	$7.80	$7.59
Adjusted OPEX	$1,232	$1,178	$3,631	$3,433
Adjusted OPEX / Case	$5.75	$5.71	$5.74	$5.66
Adjusted EBITDA	$455	$402	$1,300	$1,171
Adjusted EBITDA / Case	$2.12	$1.95	$2.05	$1.93

(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)		39 Weeks Ended (unaudited)	
	September 28, 2024	September 30, 2023	September 28, 2024	September 30, 2023
Gross profit (GAAP)	**$1,667**	**$1,542**	**$4,868**	**$4,558**
LIFO reserve adjustment(1)	23	37	68	42
Adjusted Gross Profit (Non-GAAP)	**$1,690**	**$1,579**	**$4,936**	**$4,600**
Operating Expenses (GAAP)	**$1,388**	**$1,312**	**$4,071**	**$3,819**
Adjustments:				
Depreciation expense	(99)	(85)	(288)	(256)
Amortization expense	(15)	(12)	(39)	(34)
Restructuring activity and asset impairment charges(2)	(10)	(2)	(22)	(2)
Share-based compensation expense(3)	(16)	(15)	(46)	(43)
Business transformation costs(4)	(10)	(9)	(28)	(16)
Business acquisition and integration related costs and other(5)	(6)	(11)	(17)	(35)
Adjusted Operating expenses (Non-GAAP)	**$1,232**	**$1,178**	**$3,631**	**$3,433**

(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 severance and related costs associated with organizational realignment costs 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 technology. For the 13 weeks and 39 weeks ended September 28, 2024, business transformation costs related to projects associated with information technology infrastructure initiatives and workforce efficiencies. For the 13 weeks and 39 weeks ended September 30, 2023, business transformation costs related to projects associated with information technology infrastructure initiatives.
5. Includes: (i) aggregate acquisition and integration related costs of $6 million and $10 million for the 13 weeks ended September 28, 2024 and September 30, 2023, respectively, and $17 million and $31 million for the 39 weeks ended September 28, 2024 and September 30, 2023,respectively; (ii) CEO sign on bonus of $3 million for the 39 weeks ended September 30, 2023 and (iii) 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 28, 2024**		**September 30, 2023**		**September 28, 2024**		**September 30, 2023**	
Net income available to common shareholders and net income margin (GAAP)	**$148**	**1.5%**	**$95**	**1.0%**	**$428**	**1.5%**	**$352**	**1.3%**
Series A Preferred Stock Dividends	-		-		-		(7)	
Net income and net income margin (GAAP)	**148**	**1.5%**	**95**	**1.0%**	**428**	**1.5%**	**359**	**1.3%**
Interest expense—net	75		81		235		244	
Income tax provision	53		34		129		119	
Depreciation expense	99		85		288		256	
Amortization expense	15		12		39		34	
EBITDA and EBITDA margin (Non-GAAP)	**$390**	**4.0%**	**$307**	**3.4%**	**$1,119**	**3.9%**	**$1,012**	**3.8%**
Adjustments:								
Restructuring activity and asset impairment charges(1)	10		2		22		2	
Share-based compensation expense(2)	16		15		46		43	
LIFO reserve adjustment(3)	23		37		68		42	
Loss on extinguishment of debt(4)	-		21		-		21	
Business transformation costs(5)	10		9		28		16	
Business acquisition and integration related costs and other(6)	6		11		17		35	
Adjusted EBITDA and Adjusted EBITDA margin (Non-GAAP)	**$455**	**4.7%**	**$402**	**4.4%**	**$1,300**	**4.6%**	**$1,171**	**4.4%**
Depreciation expense	(99)		(85)		(288)		(256)	
Interest expense—net	(75)		(81)		(235)		(244)	
Income tax impact, as adjusted(7)	(73)		(62)		(204)		(173)	
Adjusted Net Income (Non-GAAP)	**$208**		**$174**		**$573**		**$498**	

(1) – (7) 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 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 technology. For the 13 weeks and 39 weeks ended September 28, 2024, business transformation costs related to projects associated with information technology infrastructure initiatives and workforce efficiencies. For the 13 weeks and 39 weeks ended September 30, 2023, business transformation costs related to projects associated with information technology infrastructure initiatives.
6. Includes: (i) aggregate acquisition and integration related costs of $6 million and $10 million for the 13 weeks ended September 28, 2024 and September 30, 2023, respectively, and $17 million and $31 million for the 39 weeks ended September 28, 2024 and September 30, 2023, respectively; (ii) CEO sign on bonus of $3 million for the 39 weeks ended September 30, 2023 and (iii) other gains, losses or costs that we are permitted to addback 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.

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

	13 Weeks Ended (unaudited)		39 Weeks Ended (unaudited)	
	September 28, 2024	September 30, 2023	September 28, 2024	September 30, 2023
Diluted EPS (GAAP)	**$0.61**	**$0.38**	**$1.74**	**$1.43**
Restructuring activity and asset impairment charges(1)	0.04	0.01	0.09	0.01
Share-based compensation expense(2)	0.07	0.06	0.19	0.17
LIFO reserve adjustment(3)	0.09	0.15	0.28	0.17
Loss on extinguishment of debt(4)	-	0.08	-	0.08
Business transformation costs(5)	0.04	0.04	0.11	0.06
Business acquisition and integration related costs and other(6)	0.02	0.04	0.07	0.14
Income tax provision, as adjusted(7)	(0.02)	(0.06)	(0.16)	(0.07)
Adjusted Diluted EPS (Non-GAAP)(8)	**$0.85**	**$0.70**	**$2.32**	**$1.99**
Weighted-average diluted shares outstanding (Non-GAAP)(9)	**243,914,577**	**248,954,716**	**246,900,537**	**250,577,973**

(1) – (9) 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 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 technology. For the 13 weeks and 39 weeks ended September 28, 2024, business transformation costs related to projects associated with information technology infrastructure initiatives and workforce efficiencies. For the 13 weeks and 39 weeks ended September 30, 2023, business transformation costs related to projects associated with information technology infrastructure initiatives.

6. Includes: (i) aggregate acquisition and integration related costs of $6 million and $10 million for the 13 weeks ended September 28, 2024 and September 30, 2023, respectively and $17 million and $31 million for the 39 weeks ended September 28, 2024 and September 30, 2023, respectively (ii) CEO sign on bonus of $3 million for the 39 weeks ended September 30, 2023 and (iii) other gains, losses or costs that we are permitted to addback for purposes of calculating Adjusted EBITDA under certain agreements governing our indebtedness.

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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)	**September 28, 2024**	**December 30, 2023**	**September 30, 2023**
Total Debt (GAAP)	**$4,789**	**$4,674**	**$4,686**
Cash, cash equivalents and restricted cash	(81)	(269)	(346)
Net Debt (non-GAAP)	**$4,708**	**$4,405**	**$4,340**
Adjusted EBITDA(1)	$1,688	$1,559	$1,521
Net Leverage Ratio(2)	**2.8**	**2.8**	**2.9**

(1) Trailing Twelve Months (TTM) Adjusted EBITDA.

(2) Net Debt / TTM Adjusted EBITDA.

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