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Q4 and Fiscal Year 2021 Results

Introducing 2024 Long Range Plan

February 17, 2022

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, our expected cost savings synergies, our location openings and our business strategies, including our plans for growth, improved performance, enhanced value creation and higher profitability. These statements, which are not statements of historical fact, 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 the negative of these words or similar expressions (although not all forward-looking statements may contain such words) that concern various assumptions and our experience in the industry, as well as our current conditions and expected future developments. These forward-looking statements, including any statements regarding guidance on financial performance or liquidity, rely on a number of assumptions and our experience in the industry and are subject to risks, uncertainties and other important factors, many of which are beyond our control. Some of the factors that could cause our results to differ materially from those anticipated or expressed in any forward-looking statements include, among others, economic factors affecting consumer confidence and discretionary spending and reducing the consumption of food prepared away from home; the extent and duration of the negative impact of the COVID-19 pandemic on us; 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; impairment charges for goodwill, indefinite-lived intangible assets or other long-lived assets; labor relations and increased labor costs and continued access to qualified and diverse labor; disruption of existing technologies and implementation of new technologies; effective integration of acquired businesses; extreme weather conditions, natural disasters and other catastrophic events; and potential costs associated with shareholder activism.

For a detailed discussion of these risks, uncertainties and other factors that could cause our 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 January 2, 2021, which was filed with the Securities and Exchange Commission ("SEC") on February 16, 2021. 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 the related webcast 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, Net Debt, Adjusted Net income (loss) and Adjusted Diluted EPS. These non-GAAP financial measures exclude the impact of certain items and, therefore, have not been calculated in accordance with GAAP.

A reconciliation of the non-GAAP measures to the most directly comparable GAAP measure is included in the Appendix.

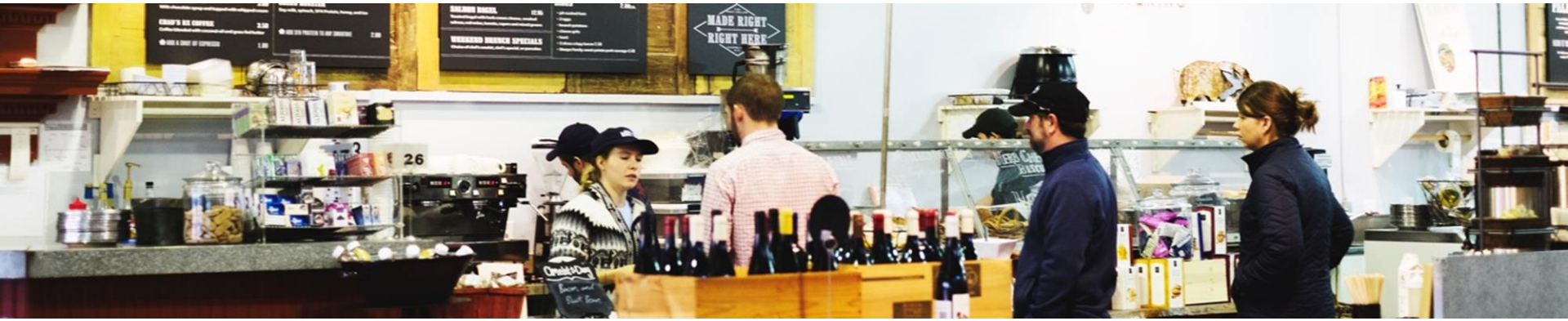
Please note that the Company is not providing a reconciliation of certain forward-looking non-GAAP financial measures, including EBITDA, Adjusted EBITDA, Adjusted Diluted EPS and net leverage, because the Company is unable to predict with reasonable certainty the financial impact of certain significant 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.

Executive Summary – Three Key Takeaways

1. **Strong execution in 2021 drove market share gains, increased gross margins, and 60% YoY increase in Adjusted EBITDA[(1)]**

2. **Solid foundation that provides platform to increase market share and EBITDA margin**

3. **Long Range Plan expected to deliver ~$1.7B Adjusted EBITDA[(1)] in 2024**



(1) Non-GAAP financial measure. Refer to Cautionary Statements Regarding Forward-Looking Information in slide 1 for information about forward-looking non-GAAP measures

Strong Execution in 2021 Drove Significant Earnings Growth

Grew Profitable Market Share

~ $1B in Net New National Customer Wins[(1)]

27% Organic Independent Growth[(2)]

- ✓ Solid service platform and NPS
- ✓ E-Commerce enhancements
- ✓ 10th anniversary Scoop ™
- ✓ Tender by Design ™

Optimized Gross Margins

Highest Gross Profit per case since IPO

Q4 Private Brand penetration +110 bps

- ✓ Customer optimization
- ✓ Freight allowance increases
- ✓ Renewed exclusive brand focus
- ✓ Successful inflation pass-through

Improved Operational Efficiencies

$130M Selling & Administrative Cost Savings Retained

15% Reduction in Assortment

- ✓ Fully staffed
- ✓ Additional retention initiatives
- ✓ New selection technology
- ✓ Focus on local operations leadership

Enhanced Operating Model

(1) In 2020-2021
(2) Organic Independent volume growth excludes extra week in the 4th Quarter of FY 2020

Long Range Plan Expected to Deliver ~$1.7B Adjusted EBITDA in 2024

Grow Profitable Market Share

Grow 1.5x the Market With Restaurants[1]

- ✓ Reliable service platform
- ✓ Fresh leadership
- ✓ Differentiated solutions
- ✓ Omni-Channel

~$290M Adj. EBITDA Growth[2]

Further Optimize Gross Margins

Continue to Grow Gross Profit per Case

- ✓ Strategic vendor mgt.
- ✓ Private brand penetration
- ✓ Next-Gen pricing and margin management
- ✓ Optimizing backhaul

~$325M Adj. EBITDA Growth[2]

Improve Operational Efficiencies

Significantly Exceed 2019 Productivity Levels

- ✓ Routing transformation
- ✓ Operations foundation
- ✓ Warehouse automation
- ✓ Back office simplification

~$235M Adj. EBITDA Growth[2]

(1) As defined by Technomic; grow 1.0x the market for All Other segments

(2) Refer to Cautionary Statements Regarding Forward-Looking Information on slide 1 for information about forward-looking non-GAAP measures

Note: Stated EBITDA growth figures are estimated EBITDA increases from FY 2021 to FY 2024



Financial Review

Dirk Locascio

Chief Financial Officer



Delivered Q4 2021 Results As Expected, Despite New Temporary Headwinds

- Net sales increased to $7.6B
- Total case volume increased 13%, including a 21% IND increase[(1)]
- Continued very strong Gross Profit per case
- Labor challenges continued to significantly impact OpEx
- Refinanced $2.7B in debt this year, extending tenor and reducing levels of secured and floating rate debt
- Significant 3.0x improvement in net leverage[(2)] during FY 2021

(1) Comparison excludes extra week in the 4th Quarter of FY 2020
(2) Reconciliations of these non-GAAP measures are provided in Appendix slides 19-25.

Significant Sales, Earnings and Margin Improvement

	Q4 2021	B/(W) vs Q4 2020	FY 2021	B/(W) vs FY 2020
Net Sales ($millions)	$7,639	+32%[1]	$29,487	+31%[1]
Adjusted EBITDA[2] ($millions)	$262	+58%[1]	$1,057	+65%[1]
Adjusted EBITDA Margin[2]	3.4%	+60 bps[1]	3.6%	+70 bps[1]
Adjusted Diluted EPS[2]	$0.38	+280%	$1.55	NM

(1) Comparison excludes extra week in the 4th Quarter of FY 2020
(2) Reconciliations of these non-GAAP measures are provided in Appendix slides 19-25.

NM = Not Meaningful

Continued Net Debt and Leverage Reduction

In Millions ($)	FY 2021	FY 2020
Full Year Operating Cash Flow	$419	$413

	Q4 2021	Q4 2020
Net Debt[(1)] *(In Millions $)*	$4,863	$4,920
Leverage Ratio[(1)]	4.6x	7.6x
	3x Leverage Ratio Reduction	

(1) Reconciliations of these non-GAAP measures are provided in Appendix slides 19-25.

FY 2022 Outlook For Significant Growth Over FY 2021 and Further Strengthening of Our Balance Sheet

Volume	Restaurants: ~1.5x market All other: ~1x market[(1)]
Adjusted EBITDA[(2)]	$1.2B - $1.3B
Adjusted Diluted EPS[(2)(3)]	$1.95 - $2.25
Interest Expense	$225M - $235M
Cash CapEx	$280M - $300M
Net Leverage[(2)]	~3.5x by year-end

(1) Market as measured by Technomic
(2) Non-GAAP financial measures. Refer to Cautionary Statements Regarding Forward-Looking Information in slide 1 for information about forward-looking non-GAAP measures
(3) Includes dilution from KKR preferred shares; assumes ~250M shares outstanding

FY 2024 Adjusted EBITDA and Adjusted Diluted EPS Expected To Be More Than 40% Above FY 2019

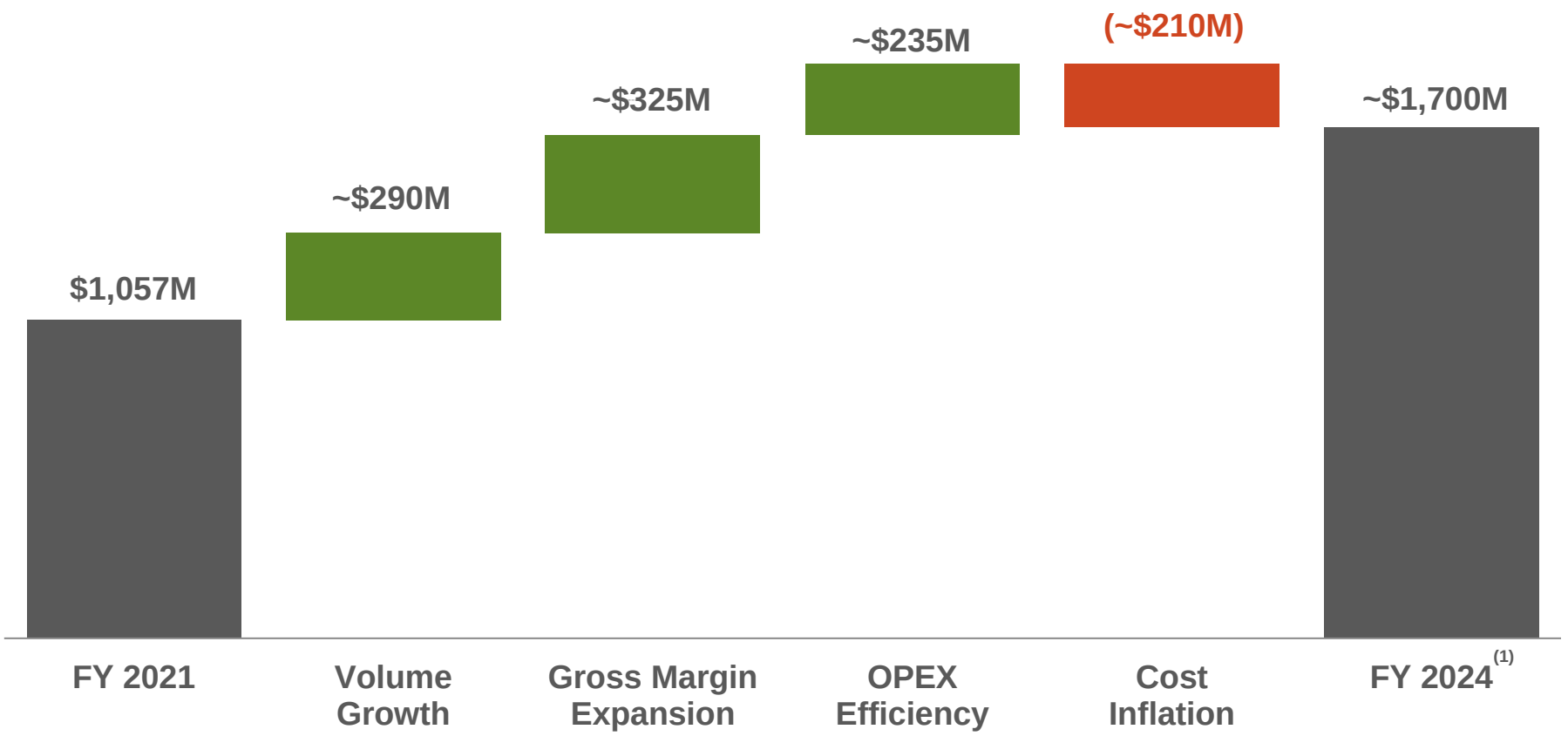
Volume	Restaurants: ~1.5x market All other: ~1x market[1]
Adjusted EBITDA[2]	~$1.7 B
Adjusted Diluted EPS[2][3]	~$3.40
CapEx as % of Net Sales	~1.3-1.4%
Net Leverage[2]	~2.5-3.0x

(1) Market as measured by Technomic
(2) Non-GAAP financial measures. Refer to Cautionary Statements Regarding Forward-Looking Information in slide 1 for information about forward-looking non-GAAP measures
(3) Includes dilution from KKR preferred shares

Volume Growth, GM Expansion and OPEX Efficiency All Expected to Meaningfully Contribute to Significant EBITDA Growth

ESTIMATED ADJUSTED EBITDA[(1)] GROWTH DRIVERS

$ Millions



(1) Non-GAAP financial measure. Refer to Cautionary Statements Regarding Forward-Looking Information in slide 1 for information about forward-looking non-GAAP measures

Strong Adjusted EBITDA[(1)] and Cash Flow Growth Lead to Significant Shareholder Value Creation

EBITDA Growth

- ✓ Profitable volume growth and market share gains
- ✓ Gross Profit rate improvement building on consistent gains
- ✓ More intense Supply Chain focus and better execution

Prudent Capital Allocation

- ✓ Invest in the business
- ✓ Reduce leverage to target range
- ✓ Return capital to shareholders
- ✓ Pursue accretive tuck-in M&A

FY 2024 Estimated Adj. Diluted EPS[(1)] of

~$3.40

FY 2024 estimated earnings

>40% above FY 2019

(1) Non-GAAP financial measure. Refer to Cautionary Statements Regarding Forward-Looking Information in slide 1 for information about forward-looking non-GAAP measures


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APPENDIX:
Q4 Fiscal 2021 Summary
Non-GAAP Reconciliations

Achieved Performance Expectations Across Acquisitions



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- FY 2021 Adjusted EBITDA[(1)] exceeded FY 2019 levels
- Synergies on track; $20M expected by FY 2024
- Plan to open 4-6 new locations in FY 2022 and accelerate openings further in FY 2023
- Smaller footprint and capital light model
- ~1 year breakeven makes expansion attractive



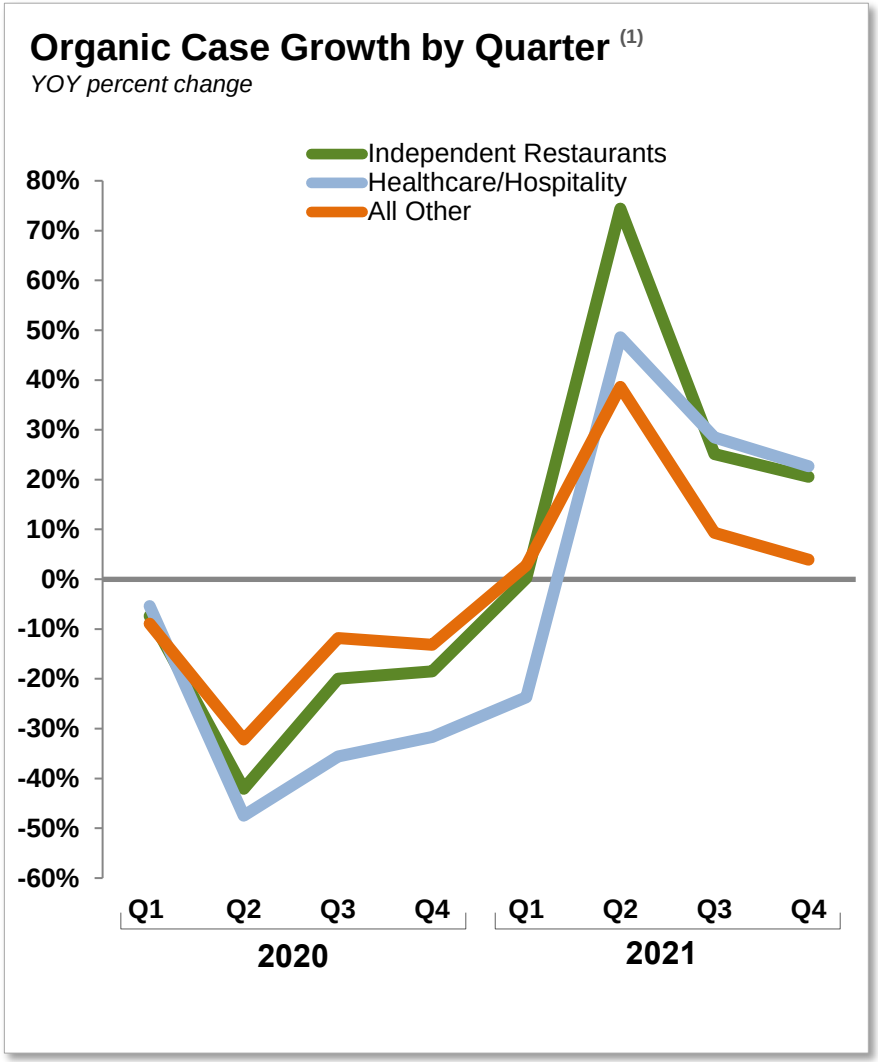


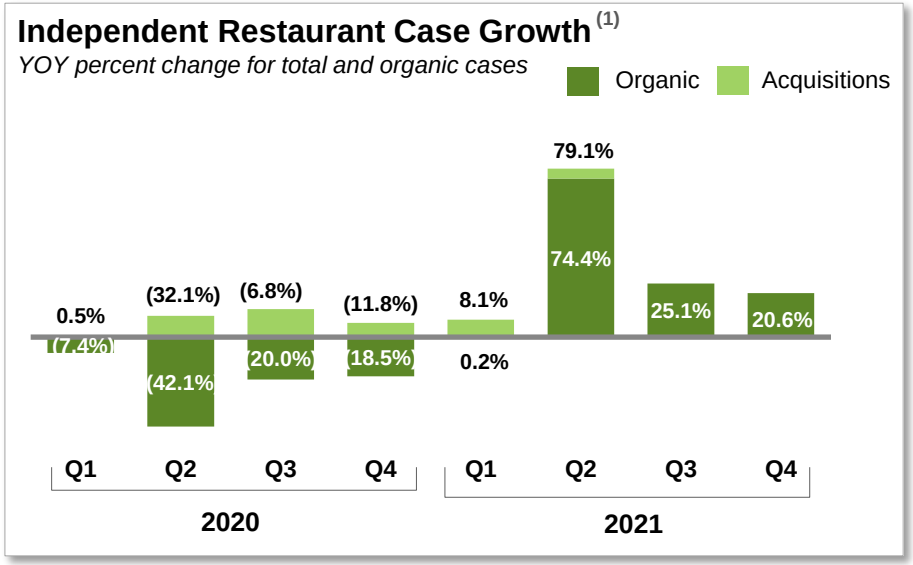
Food Group

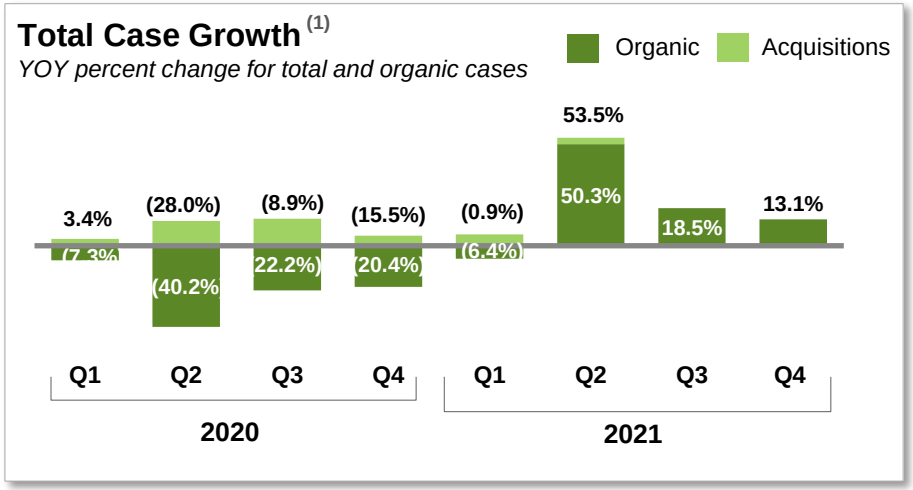
- $40M of synergies achieved in FY 2021 and on track to achieve $65M run-rate in FY 2023
- One remaining system conversion to be completed in Q1

(1) Reconciliations of this non-GAAP measure is provided in Appendix slides 19-25.

Quarterly Case Volume Trend vs FY 2020







Organic Case Growth by Quarter line chart updated 2/18/2022

(1) Case volume results exclude the impact of the 53rd week in the fourth quarter of fiscal 2020 and fiscal 2021

Fourth Quarter Financial Performance

($ in millions, except per share data)	Reported (unaudited) Quarter Ended January 1, 2022	Reported (unaudited) Quarter Ended January 2, 2021	Reported (unaudited) Quarter Ended Change	Adjusted [1] (unaudited) Quarter Ended January 1, 2022	Adjusted [1] (unaudited) Quarter Ended January 2, 2021	Adjusted [1] (unaudited) Quarter Ended Change
Case Growth			6.3%			
Net Sales	7,639	6,138	24.5%			
Gross Profit	1,242	1,008	23.2%	1,257	1,034	21.6%
% of Net Sales	16.3%	16.4%	(10) bps	16.5%	16.8%	(30) bps
Operating Expenses	1,105	978	13.0%	1,002	865	15.8%
% of Net Sales	14.5%	15.9%	(140) bps	13.1%	14.1%	(100) bps
Net Income (Loss) [2]	69	(10)	NM	96	23	NM
Diluted EPS [3]	$0.26	($0.11)	NM	$0.38	$0.10	NM
Adjusted EBITDA[1]				262	174	50.6%
Adjusted EBITDA Margin [1] [4]				3.4%	2.8%	60 bps

1. Reconciliations of these non-GAAP measures are provided in Appendix slides 19-25.
2. Effective as of the first quarter 2021, we have presented Adjusted net income. Previously, we presented Adjusted net income available to common shareholders.
3. GAAP Diluted EPS calculated using net income (loss) available to common shareholders. Adjusted Diluted EPS is calculated as Adjusted net income divided by Non-GAAP weighted average diluted shares outstanding. Prior period amounts have been revised to conform with current year presentation.
4. Represents Adjusted EBITDA as a percentage of Net Sales.

Year to Date Financial Performance

($ in millions, except per share data)	Reported (unaudited) Year Ended January 1, 2022	Reported (unaudited) Year Ended January 2, 2021	Reported (unaudited) Change	Adjusted [1] (unaudited) Year Ended January 1, 2022	Adjusted [1] (unaudited) Year Ended January 2, 2021	Adjusted [1] (unaudited) Change
Case Growth			16.9%			
Net Sales	29,487	22,885	28.8%			
Gross Profit	4,655	3,719	25.2%	4,820	3,794	27.0%
% of Net Sales	15.8%	16.3%	(50) bps	16.3%	16.6%	(30) bps
Operating Expenses	4,231	3,796	11.5%	3,789	3,167	19.6%
% of Net Sales	14.3%	16.6%	(230) bps	12.8%	13.8%	(100) bps
Net Income (Loss) [2]	164	(226)	NM	388	48	NM
Diluted EPS [3]	$0.54	($1.15)	NM	$1.55	$0.22	NM
Adjusted EBITDA[1]				1,057	648	63.1%
Adjusted EBITDA Margin [1] [4]				3.6%	2.8%	80 bps

1. Reconciliations of these non-GAAP measures are provided in Appendix slides 19-25
2. Effective as of the first quarter 2021, we have presented Adjusted net income. Previously, we presented Adjusted net income available to common shareholders.
3. GAAP Diluted EPS calculated using net income (loss) available to common shareholders. Adjusted Diluted EPS is calculated as Adjusted net income divided by Non-GAAP weighted average diluted shares outstanding. Prior period amounts have been revised to conform with current year presentation.
4. Represents Adjusted EBITDA as a percentage of Net Sales.

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

($ in millions)	Quarter Ended (unaudited)		Year Ended (unaudited)	
	January 1, 2022	January 2, 2021	January 1, 2022	January 2, 2021
Gross profit (GAAP)	**$1,242**	**$1,008**	**$4,655**	**$3,719**
LIFO reserve adjustments (1)	15	16	165	25
COVID-19 product donations and inventory adjustments(6)	—	10	—	50
Adjusted Gross profit (Non-GAAP)	**$1,257**	**$1,034**	**$4,820**	**$3,794**
Operating expenses (GAAP)	**$1,105**	**$978**	**$4,231**	**$3,796**
Adjustments:				
Depreciation expense	(81)	(86)	(323)	(343)
Amortization expense	(11)	(20)	(55)	(79)
Restructuring costs and asset impairment charges (2)	—	—	(11)	(39)
Share-based compensation expense (3)	(12)	(11)	(48)	(40)
Business transformation costs (4)	(5)	(14)	(22)	(22)
COVID-19 bad debt benefit (expense) (5)	—	18	15	(47)
COVID-19 other related expenses (7)	(2)	2	(3)	(13)
Business acquisition and integration related costs and other (8)	8	(2)	5	(46)
Adjusted Operating expenses (Non-GAAP)	**$1,002**	**$865**	**$3,789**	**$3,167**

(1)-(8) 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. Consists primarily of costs related to significant process and systems redesign across multiple functions.
5. Includes the changes in the reserve for doubtful accounts expense reflecting the collection risk associated with our customer base as a result of the COVID-19 pandemic.
6. Includes COVID-19 related expenses related to inventory adjustments and product donations.
7. Includes COVID-19 costs that we are permitted to addback under certain agreements governing our indebtedness.
8. Includes: (i) aggregate acquisition and integration related costs of $6 million and $22 million for the 13 weeks and 52 weeks ended January 1, 2022; respectively, and $2 million and $45 million for the 14 weeks and 53 weeks ended January 2, 2021, respectively; (ii) favorable legal settlement recoveries of $16 million and $29 million for the 13 weeks and for the 52 weeks ended January 1, 2022, respectively; 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

($ in millions)	For the quarter ended (unaudited)		For the year ended (unaudited)	
	January 1, 2022	January 2, 2021	January 1, 2022	January 2, 2021
Net income (loss) available to common shareholders (GAAP)	**$59**	**($23)**	**$121**	**($254)**
Series A Preferred Stock Dividends	(10)	(13)	(43)	(28)
Net income (loss) (GAAP)	**69**	**(10)**	**164**	**(226)**
Interest expense—net	55	60	213	238
Income tax provision (benefit)	20	(15)	50	(68)
Depreciation expense	81	86	323	343
Amortization expense	11	20	55	79
EBITDA (Non-GAAP)	**$236**	**$141**	**$805**	**$366**
Adjustments:				
Restructuring costs and asset impairment charges (1)	—	—	11	39
Share-based compensation expense (2)	12	11	48	40
LIFO reserve adjustments (3)	15	16	165	25
Loss on extinguishment of debt (4)	—	—	23	—
Business transformation costs (5)	5	14	22	22
COVID-19 bad debt (benefit) expense (6)	—	(18)	(15)	47
COVID-19 product donations and inventory adjustments (7)	—	10	—	50
COVID-19 other related expenses (8)	2	(2)	3	13
Business acquisition and integration related costs and other (9)	(8)	2	(5)	46
Adjusted EBITDA (Non-GAAP)	**$262**	**$174**	**$1,057**	**$648**
Adjusted EBITDA (Non-GAAP)	**$262**	**$174**	**$1,057**	**$648**
Depreciation expense	(81)	(86)	(323)	(343)
Interest expense—net	(55)	(60)	(213)	(238)
Income tax provision, as adjusted (10)	(30)	(5)	(133)	(19)
Adjusted net income (Non-GAAP) (11)	**$96**	**$23**	**$388**	**$48**

(1)-(11) 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. Consists primarily of costs related to significant process and systems redesign across multiple functions.
6. Includes the changes in the reserve for doubtful accounts expense reflecting the collection risk associated with our customer base as a result of the COVID-19 pandemic.
7. Includes COVID-19 related expenses related to inventory adjustments and product donations.
8. Includes COVID-19 costs that we are permitted to addback under certain agreements governing our indebtedness.
9. Includes: (i) aggregate acquisition and integration related costs of $6 million and $22 million for the 13 weeks and 52 weeks ended January 1, 2022; respectively, and $2 million and $45 million for the 14 weeks and 53 weeks ended January 2, 2021, respectively; (ii) favorable legal settlement recoveries of $16 million and $29 million for the 13 weeks and 52 weeks ended January 1, 2022, respectively; 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.
10. Represents our income tax provision (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 taking into account the impact of permanent differences and valuation allowances.
11. Effective as of the first quarter 2021, we have presented Adjusted net income. Previously, we presented Adjusted net income available to common shareholders.

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

	For the quarter ended (unaudited)		For the year ended (unaudited)	
	January 1, 2022	January 2, 2021	January 1, 2022	January 2, 2021
Diluted EPS (GAAP)	**$0.26**	**($0.11)**	**$0.54**	**($1.15)**
Restructuring costs and asset impairment charges [1]	—	—	0.04	0.18
Share-based compensation expense [2]	0.05	0.05	0.19	0.18
LIFO reserve adjustments [3]	0.06	0.07	0.66	0.11
Loss on extinguishment of debt [4]	—	—	0.09	—
Business transformation costs [5]	0.02	0.06	0.09	0.10
COVID-19 bad debt (benefit) expense [6]	—	(0.08)	(0.06)	0.21
COVID-19 product donations and inventory adjustments [7]	—	0.05	—	0.23
COVID-19 other related expenses [8]	0.01	(0.01)	0.01	0.06
Business acquisition and integration related costs and other [9]	(0.03)	0.01	(0.02)	0.21
Income tax provision, as adjusted [10]	0.01	0.06	0.01	0.09
Adjusted Diluted EPS (Non-GAAP) [11]	**$0.38**	**$0.10**	**$1.55**	**$0.22**
Weighted-average diluted shares outstanding (GAAP) [12]	**250,466,861**	**220,373,388**	**249,886,068**	**219,838,120**

(1)-(12) footnotes located on next slide

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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.
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11. Adjusted Diluted EPS is calculated as Adjusted net income divided by Non-GAAP weighted average diluted shares outstanding, see note 12. Prior period amounts have been revised to conform with current year presentation.
12. 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

($ in millions, except ratios)	(unaudited) January 1, 2022	January 2, 2021
Total Debt (GAAP)	**$5,011**	**$5,748**
Cash, cash equivalents and restricted cash	(148)	(828)
Net Debt (Non-GAAP)	**$4,863**	**$4,920**
Adjusted EBITDA [1]	$1,057	$648
Net Leverage Ratio [2]	**4.6**	**7.6**

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