

First Quarter Fiscal Year 2025 Results

May 8, 2025

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.

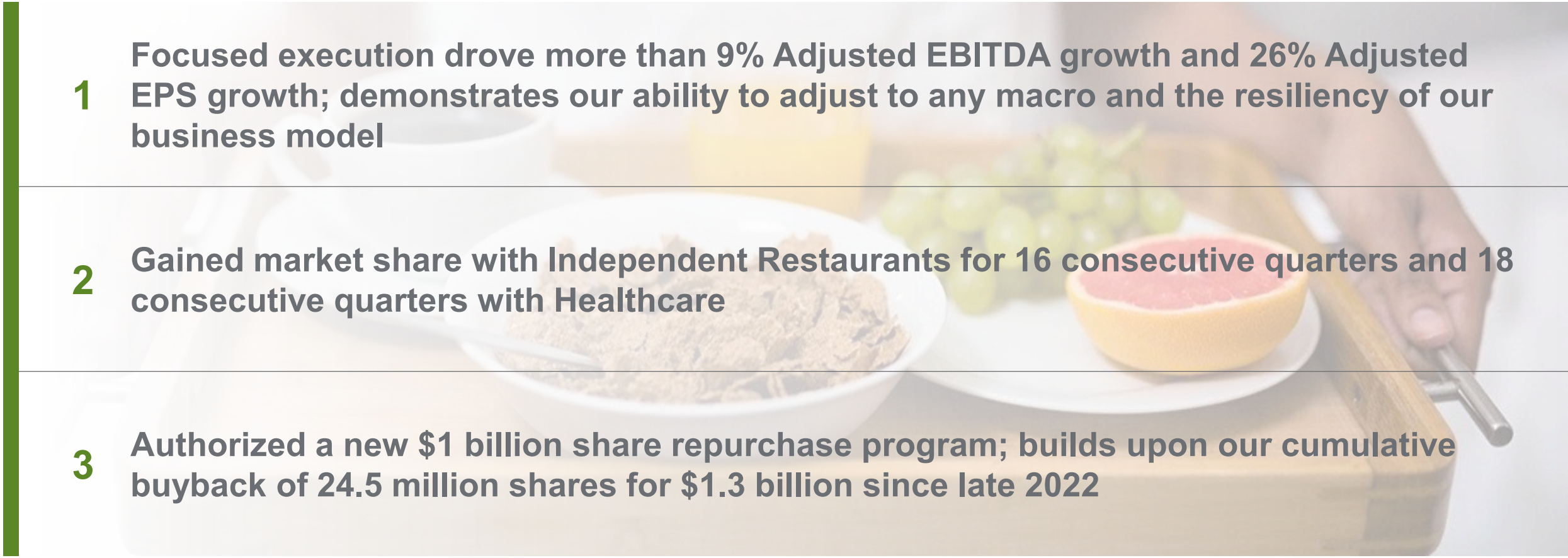
For a detailed discussion of these risks, uncertainties and other factors that could cause our actual results to differ materially from those anticipated or expressed in any forward-looking statements, see the section entitled “Risk Factors” in US Foods' Annual Report on Form 10-K for the fiscal year ended December 28, 2024 filed with the Securities and Exchange Commission (“SEC”) on February 13, 2025, as such factors may be updated from time to time in our periodic filings with the SEC. 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.

Executing in a Challenging Environment



1. Focused execution drove more than 9% Adjusted EBITDA growth and 26% Adjusted EPS growth; demonstrates our ability to adjust to any macro and the resiliency of our business model

2. Gained market share with Independent Restaurants for 16 consecutive quarters and 18 consecutive quarters with Healthcare

3. Authorized a new $1 billion share repurchase program; builds upon our cumulative buyback of 24.5 million shares for $1.3 billion since late 2022

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

Outperformer in Resilient Industry with Levers to Pull if Weaker Macro Persists

RESILIENT INDUSTRY AND BUSINESS MODEL

- **Large and growing** Total Addressable Market
- Food away from home continues to **steadily increase** year over year
- **Continued market share gains** in Independents, Healthcare and Hospitality

ONGOING SELF-HELP INITIATIVES

Enhancing Gross Profit

- **Strategic Vendor Management**: Driving Cost of Goods savings
- **Accelerate Private Label Mix**: Leverage Customer Value Proposition to Deepen Private Label Penetration
- **Improving Customer Mix:** Faster growth with the most profitable customer types / pricing optimization

Streamlining OpEx

- **Supply Chain**: Deliver 3% to 5% annual productivity improvement to offset OpEx inflation
- **Delivery Optimization**: Deployment of modern routing platform driving additional efficiency gains on top of benefit from market-led routing work
- **Admin Costs**: Actions to streamline corporate costs and operate more efficiently
- **Optimize Indirect Spend**: $1B+ addressable bucket of operating expense spend

DOWNTURN ACTIONS

Additional Levers

- Flex OpEx with demand
  - **~50%** of Total OpEx is variable
  - **~80%** of Distribution OpEx is variable
- Reduce discretionary spending
- Effectively manage headcount
- Accelerate strategic vendor management and productivity projects
- Drive supply chain optimization and routing
- Moderate CapEx

Positioned to Win in Any Environment

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

- Committed to a strong safety culture; safety performance improved by 12% over prior year and 38% over the past two years
- Recognized 44 associates for Igniting Excellence at our 2nd Annual CEO Awards
- Donated $250,000 to support Giving Kitchen's work to provide emergency assistance to foodservice workers across the country
- Renewed partnership with American Red Cross as an Annual Disaster Giving Program Partner



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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

- Drove ~20% improvement in Operations Quality Composite (Ops QC), our ability to deliver products to customers without errors, resulting in a better customer experience
- Continued rollout of Descartes routing platform; 50 markets are live or in active deployment, represents ~70% of routed miles; on track to be fully deployed by year-end
- Launched Generative AI Automated Order Guide in 4Q 2024; used by our sellers to efficiently create customer proposals and on-board new business



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GROWTH
GROW MARKET SHARE

TARGET: Grow market share with independent restaurants, healthcare, 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

- Expanded Pronto Penetration, our small truck delivery service for existing independent restaurant customers; now live in 10 markets and plan to be in a total of 20 by year-end
- Began onboarding $100M+ in annualized new business wins for Healthcare and Hospitality
- Continued market share gains with our target customer types; 16 consecutive quarters with Independent Restaurants, 18 with Healthcare
- Launched our new Spring Scoop featuring 18 high quality, innovative and labor-saving products; designed to attract and retain diners and address back-of-house pain points



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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 Gross Profit 5% to $1.6B, driven by volume growth, improved cost of goods savings and private label growth
- Increased private label penetration by nearly 50 basis points to a quarterly record of more than 53% with our core independent restaurants
- Delivered ~20 percentage point improvement in annualized selector turnover and low-single digit improvement for drivers
- Drove additional actions to streamline administrative costs and operate more efficiently, expect to generate $30M in expense savings in 2025

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

First Quarter Fiscal Year 2025 Financial Review

Dirk Locascio
Chief Financial Officer

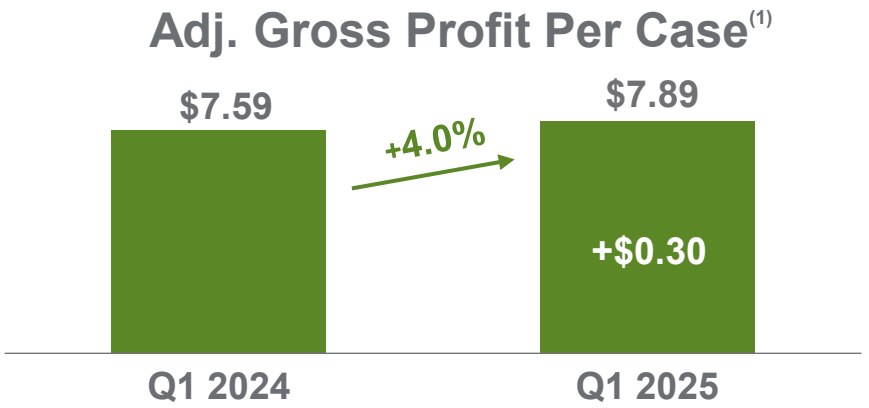


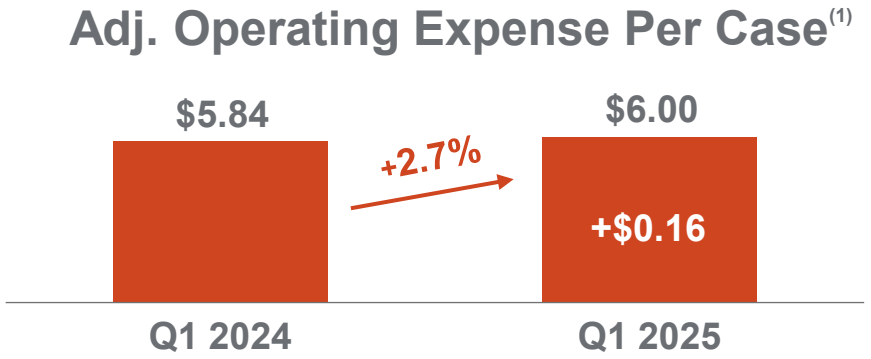
Delivered Consistent Top and Bottom-Line Growth

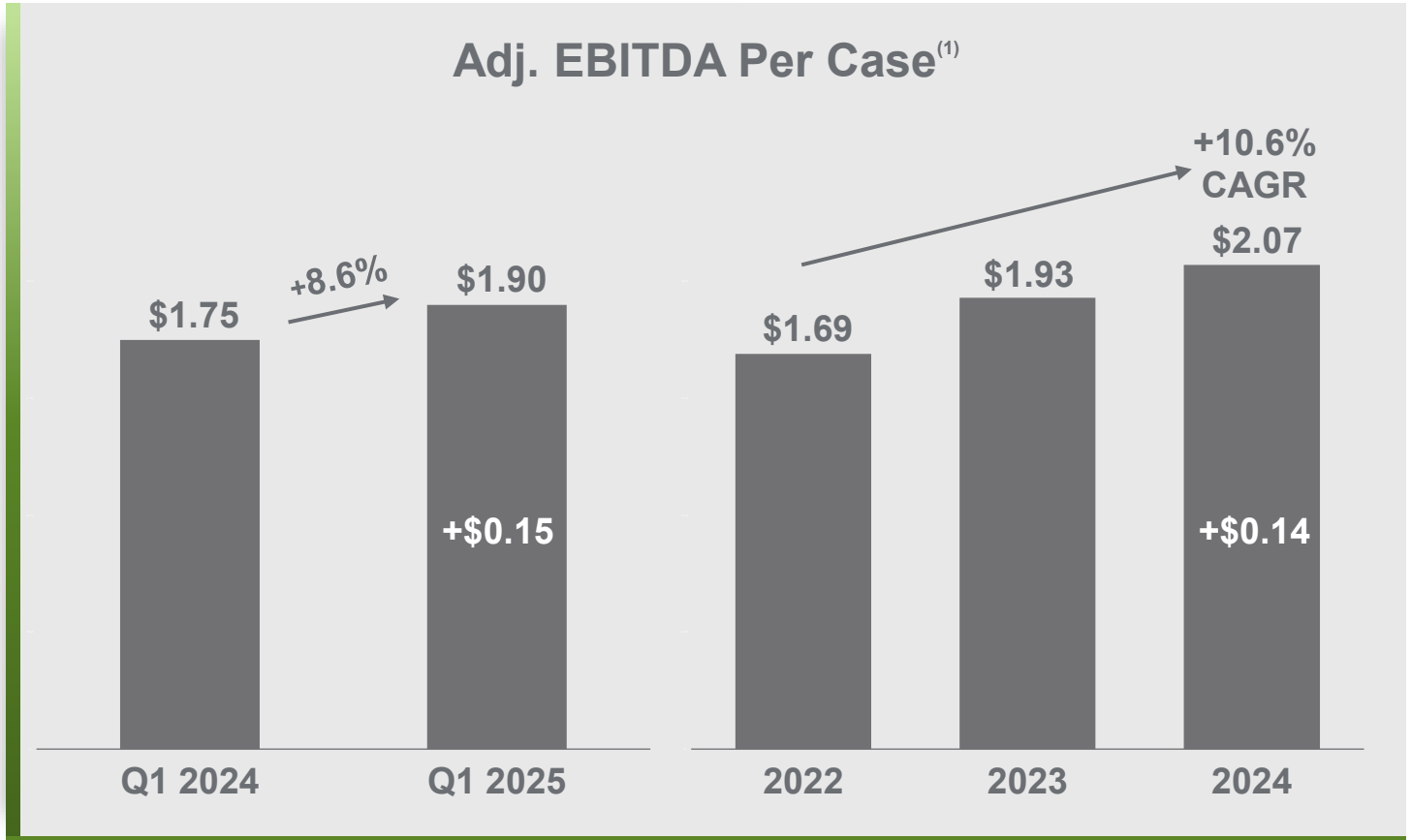
	Q1 2025	B/(W) vs. Q1 2024
Total Case Volume		+1.1%
Independent Restaurant Case Volume		+2.5%
Healthcare Case Volume		+6.1%
Hospitality Case Volume		+3.6%
Net Sales ($millions)	$9,351	+4.5%
Adjusted EBITDA[(1)] ($millions)	$389	+9.3%
Adjusted EBITDA Margin[(1)]	4.2%	+18 bps
Adjusted Diluted EPS[(1)]	$0.68	+25.9%

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

Drove Margin Expansion Despite Challenging Environment



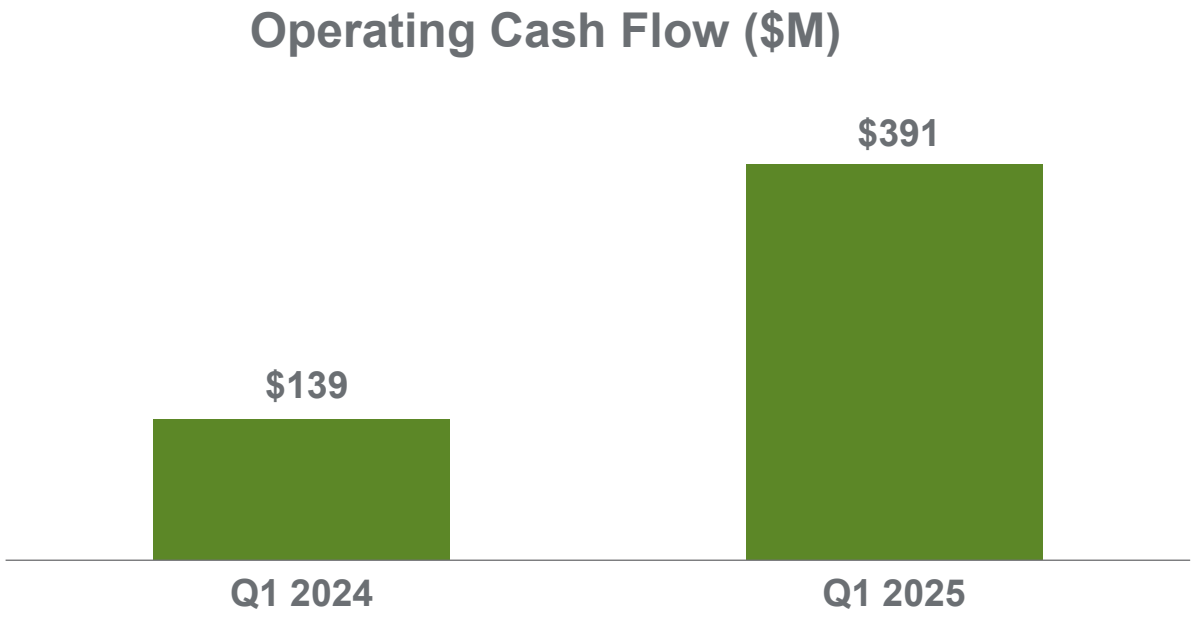




	2022	2023	2024
Adjusted Gross Profit Per Case Change(1)	$0.95	$0.33	$0.23
Adjusted Operating Expense Per Case Change(1)	$0.65	$0.06	$0.08

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

Allocating Durable Cash Flow Towards Accretive Capital Allocation Priorities



	Q1 2024	Q1 2025
Operating Cash Flow (OCF)	$139	$391
Change in Net Working Capital(1)	($78)	$122
OCF less change in NWC(1)	**$217**	**$269**

Capital Allocation Priorities

1. Invest in the business
2. Return capital to shareholders
   - > Repurchased $23M of shares in Q1 2025
   - > Authorized a new $1B share repurchase program
3. Net leverage
   - > Maintained within target range of 2.0x - 3.0x
   - > No long-term debt maturities until 2028
   - > Corporate credit rating upgraded one notch by S&P to BB+
4. Pursue accretive tuck-in M&A
   - > Acquired Jake's Finer Food in January for $92M

(1) Net Working Capital (NWC) defined as changes in operating assets and liabilities as shown in the Consolidated Statements of Cash Flows.

Reaffirming Fiscal Year 2025 Guidance and Updating Modeling Assumptions

Fiscal Year 2025 Guidance	
Net Sales Growth	4% to 6%
Adjusted EBITDA Growth[(1)]	8% to 12%
Adjusted Diluted EPS Growth[(1)]	17% to 23%

Modeling Assumptions	
Total Case Growth	1% to 3%
Sales Inflation & Mix	~3%
Depreciation	$410M to $450M
Interest Expense	$310M to $325M
Tax Rate	~26%
Cash CapEx	$375M to $425M

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

Positioned for Long-term Growth in a Resilient Industry

1. **Operating in a resilient industry with a durable business model,** levers to pull if weaker macro persists
2. **Ongoing self-help initiatives** to enhance Gross Profit and streamline Operating Expenses
3. **Enhancing value proposition for our customers** through digital leadership, best-in-class service, and modernized platforms
4. **Leveraging robust cash flow and strong balance sheet** to invest towards highest shareholder return
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

Summary Non-GAAP Reconciliations

What Differentiates US Foods?

1. Only pure-play, U.S. focused foodservice distributor with national scale
2. Differentiated value proposition and scale with the three most profitable customer types in the industry: independent restaurants, healthcare and hospitality
3. Proven go-to-market strategy (sellers, product innovation, digital ecosystem)
4. Industry leading digital ecosystem and continued investment to foster customer loyalty and enhance ease of doing business
5. Proven strategy-driven operational playbook to advance Culture, Service, Growth and Profit strategy pillars
6. Early innings of self-help initiatives to drive sustained profitable growth
7. Fastest P&L growth algorithm, accretive capital allocation to grow Adjusted EPS faster than Adjusted EBITDA and strong balance sheet
8. Accelerating Cash Flow generation resulting in more than $4 billion to deploy over the 2025 to 2027 time horizon

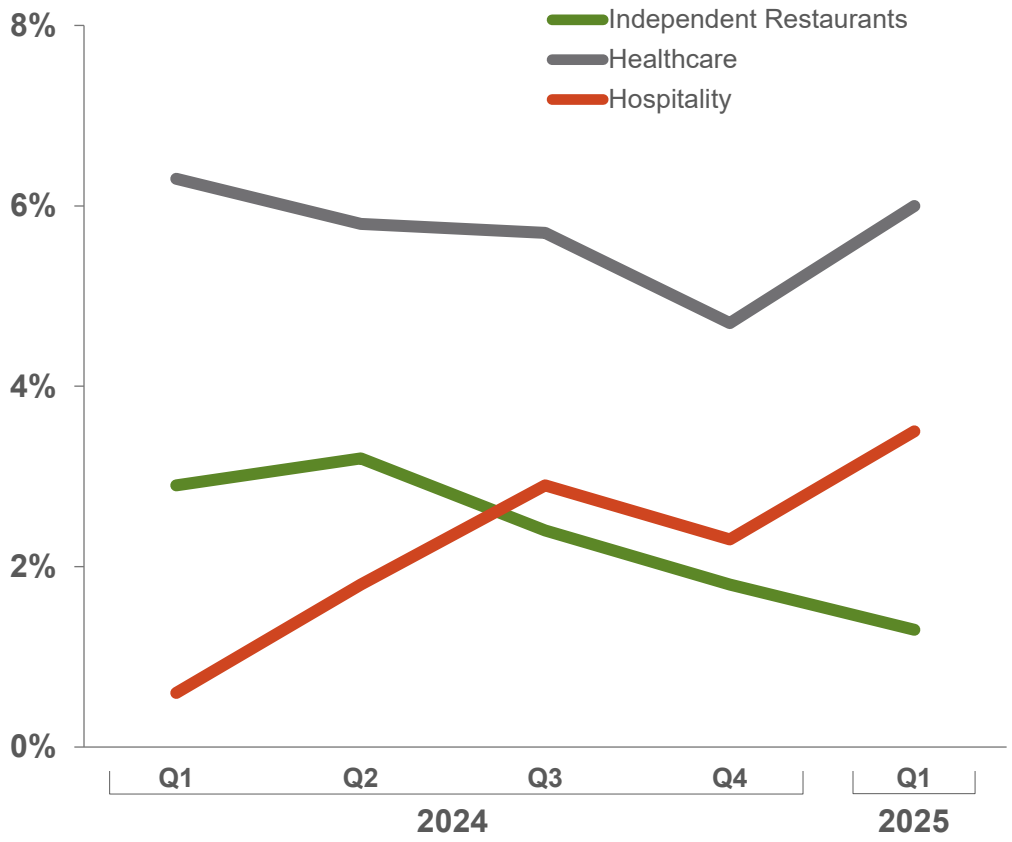


Consistently Delivering Balanced Top-line Growth, Margin Expansion, and Double-digit Bottom-line Growth

Quarterly Case Volume Trend vs. Prior Year

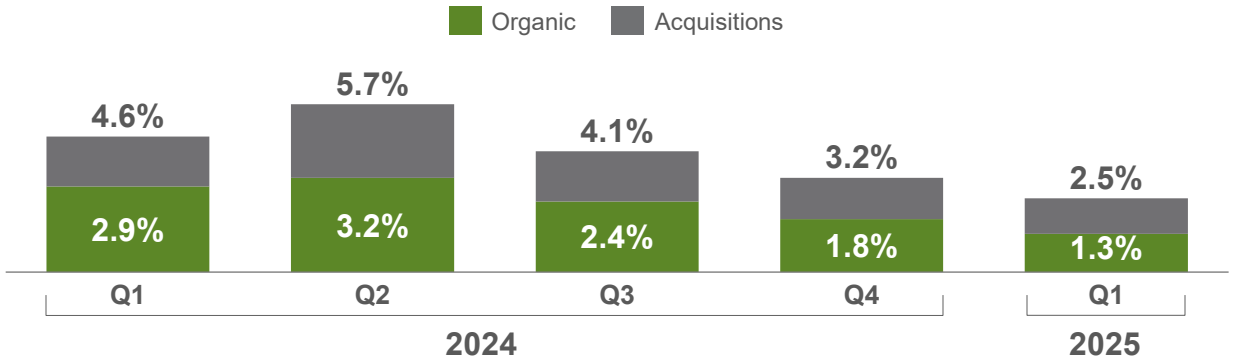
Organic Case Growth by Quarter

YOY percent change



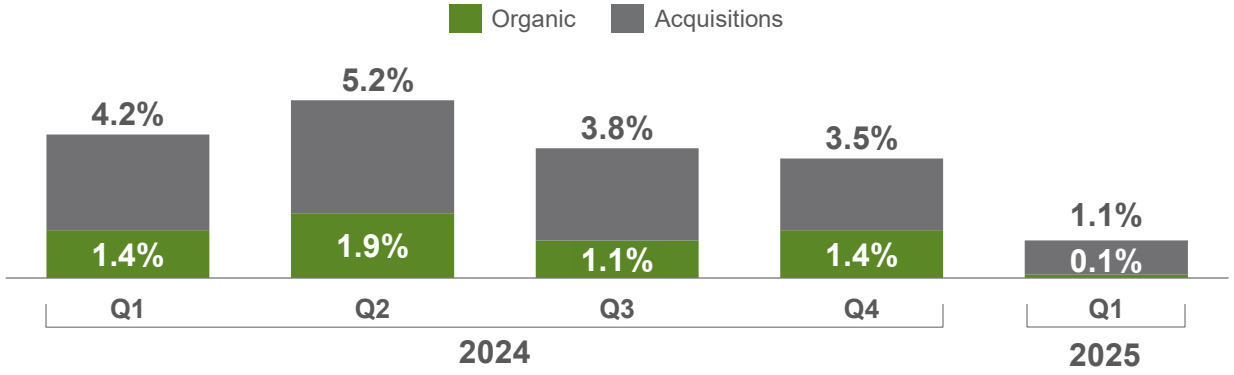
Independent Restaurant Case Growth

YOY percent change for total and organic cases



Total Case Growth

YOY percent change for total and organic cases



Debt Summary

($ in millions)	Maturity	Interest Terms	Interest Rates as of March 29, 2025	Carrying Value as of March 29, 2025	Carrying Value as of December 28, 2024
ABL Facility	December 7, 2027	1M Term SOFR + 1.35%	5.67%	$75	$223
2021 Incremental Term Loan Facility (net of $1 and $0 of unamortized deferred financing costs, respectively)	November 22, 2028	1M Term SOFR + 1.75%	6.07%	$609	$610
2024 Incremental Term Loan Facility (net of $8 and $8 of unamortized deferred financing costs, respectively)	October 3, 2031	1M Term SOFR + 1.75%	6.07%	$717	$717
Total Floating Rate Debt				**$1,401**	**$1,550**
Senior Notes due 2028 (net of $3 and $4 of unamortized deferred financing costs, respectively)	September 15, 2028		6.88%	$497	$496
Senior Notes due 2029 (net of $5 and $5 of unamortized deferred financing costs, respectively)	February 15, 2029		4.75%	$895	$895
Senior Notes due 2030 (net of $3 and $3 of unamortized deferred financing costs, respectively)	June 1, 2030		4.63%	$497	$497
Senior Notes due 2032 (net of $4 and $4 of unamortized deferred financing costs, respectively)	January 15, 2032		7.25%	$496	$496
Senior Notes due 2033 (net of $3 and $4 of unamortized deferred financing costs, respectively)	April 15, 2033		5.75%	$497	$496
Obligations under financing leases(1)	2025 – 2037		1.26%-8.31%	$514	$490
Other Debt	January 1, 2031		5.75%	$8	$8
Total Fixed Rate(1)				**$3,404**	**$3,378**
Total Debt				**$4,805**	**$4,928**
Less: Cash				($101)	($59)
Net Debt(2)				**$4,704**	**$4,869**
Net Debt Leverage Ratio(2)				**2.7x**	**2.8x**
% Floating Rate(3)				**~30%**	**~32%**

(1) Includes $24 million and $26 million of floating rate debt related to synthetic leases as of March 29, 2025 and December 28, 2024, 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 $23 million of shares in Q1 2025
- Authorized a new $1B share repurchase program
- Maintained strong net leverage profile within target range of 2.0 – 3.0x
- No long-term debt maturities until 2028
- Corporate credit rating upgraded one notch by S&P to BB+
- Acquired Jake's Finer Food in January for $92M

First Quarter Financial Performance

(Case volume and $ in millions, except per share data)	**Reported** (unaudited) 13 Weeks Ended			**Adjusted**[1] (unaudited) 13 Weeks Ended		
	March 29, 2025	**March 30, 2024**	**Change**	**March 29, 2025**	**March 30, 2024**	**Change**
Case Volume	205	203	1.1%			
Net Sales	$9,351	$8,949	4.5%			
Gross Profit	$1,614	$1,495	8.0%	$1,619	$1,540	5.1%
% of Net Sales	17.3%	16.7%	55 bps	17.3%	17.2%	11 bps
Operating Expenses	$1,390	$1,330	4.5%	$1,231	$1,185	3.9%
% of Net Sales	14.9%	14.9%	-	13.2%	13.2%	(8 bps)
Net Income	$115	$82	40.2%	$159	$134	18.7%
Diluted EPS[2]	$0.49	$0.33	48.5%	$0.68	$0.54	25.9%
Adjusted EBITDA				**$389**	**$356**	**9.3%**
Adjusted EBITDA Margin[3]				**4.2%**	**4.0%**	**18 bps**

(1) Reconciliations of these non-GAAP measures are provided in this Appendix.
(2) 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		Year Ended		
	March 29, 2025	March 30, 2024	December 28, 2024	December 30, 2023	December 31, 2022
Total Cases	205	203	841	807	773
Adjusted GP	$1,619	$1,540	$6,595	$6,147	$5,639
Adjusted GP / Case	$7.89	$7.59	$7.85	$7.62	$7.29
Adjusted OPEX	$1,231	$1,185	$4,848	$4,594	$4,351
Adjusted OPEX / Case	$6.00	$5.84	$5.77	$5.69	$5.63
Adjusted EBITDA	$389	$356	$1,741	$1,559	$1,310
Adjusted EBITDA / Case	$1.90	$1.75	$2.07	$1.93	$1.69

(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)		**Year Ended** (unaudited)		
	March 29, 2025	**March 30, 2024**	**December 28, 2024**	**December 30, 2023**	**December 31, 2022**
Gross Profit (GAAP)	**$1,614**	**$1,495**	**$6,534**	**$6,148**	**$5,492**
LIFO reserve adjustment(1)	5	45	61	(1)	147
Adjusted Gross Profit (Non-GAAP)	**$1,619**	**$1,540**	**$6,595**	**$6,147**	**$5,639**
Operating Expenses (GAAP)	**$1,390**	**$1,330**	**$5,435**	**$5,131**	**$4,898**
Adjustments:					
Depreciation expense	(98)	(93)	(384)	(349)	(327)
Amortization expense	(14)	(12)	(54)	(46)	(45)
Restructuring activity and asset impairment charges(2)	(5)	(13)	(25)	(14)	(12)
Share-based compensation expense(3)	(22)	(15)	(63)	(56)	(45)
Business transformation costs(4)	(7)	(9)	(39)	(28)	(52)
Business acquisition, integration related costs, divestitures and other(5)	(13)	(3)	(22)	(44)	(66)
Adjusted Operating Expenses (Non-GAAP)	**$1,231**	**$1,185**	**$4,848**	**$4,594**	**$4,351**

(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, 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 technology. For the 13 weeks ended March 29, 2025, business transformation costs related to projects associated with information technology infrastructure initiatives and related workforce efficiencies. For the 13 weeks ended March 30, 2024 and year ended 2024, business transformation costs related to projects associated with information technology infrastructure initiatives and related workforce efficiencies. For the year ended December 30, 2023, business transformation costs related to projects associated with information technology infrastructure initiatives. For the year ended December 31, 2022, business transformation costs consist of new facility openings, supply chain strategy improvements, and information technology infrastructure initiatives

5. Includes: (i) aggregate acquisition, integration related costs and divestiture costs of $13 million and $3 million for the 13 weeks ended March 29, 2025 and March 30, 2024, respectively and $22 million, $41 million and $22 million for the year ended December 28, 2024, December 30, 2023 and December 31 2022, respectively; (ii) CEO sign on bonus of $3 million for the year ended December 30, 2023; (iii) contested proxy and related legal and consulting costs of $21 million for the year ended 2022; (iv) CEO severance of $5 million for the year ended 2022; (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

($ in millions)	13 Weeks Ended (unaudited)				Year Ended (unaudited)					
	March 29, 2025		March 30, 2024		December 28, 2024		December 30, 2023		December 31, 2022	
Net income available to common shareholders and net income margin (GAAP)	**$115**	**1.2%**	**$82**	**0.9%**	**$494**	**1.3%**	**$499**	**1.4%**	**$228**	**0.7%**
Series A Preferred Stock Dividends	-		-		-		(7)		(37)	
Net income and net income margin (GAAP)	**115**	**1.2%**	**$82**	**0.9%**	**494**	**1.3%**	**$506**	**1.4%**	**$265**	**0.8%**
Interest expense—net	77		79		315		324		255	
Income tax provision	33		5		150		172		96	
Depreciation expense	98		93		384		349		327	
Amortization expense	14		12		54		46		45	
EBITDA and EBITDA margin (Non-GAAP)	**$337**	**3.6%**	**$271**	**3.0%**	**$1,397**	**3.7%**	**$1,397**	**3.9%**	**$988**	**2.9%**
Adjustments:										
Restructuring activity and asset impairment charges[(1)]	5		13		25		14		12	
Share-based compensation expense[(2)]	22		15		63		56		45	
LIFO reserve adjustment[(3)]	5		45		61		(1)		147	
Loss on extinguishment of debt[(4)]	-		-		10		21		-	
Recognition of net actuarial loss for pension settlement[(5)]	-		-		124		-		-	
Business transformation costs[(6)]	7		9		39		28		52	
Business acquisition, integration related costs, divestitures and other[(7)]	13		3		22		44		66	
Adjusted EBITDA and Adjusted EBITDA margin (Non-GAAP)	**$389**	**4.2%**	**$356**	**4.0%**	**$1,741**	**4.6%**	**$1,559**	**4.4%**	**$1,310**	**3.8%**
Depreciation expense	(98)		(93)		(384)		(349)		(327)	
Interest expense—net	(77)		(79)		(315)		(324)		(255)	
Income tax impact, as adjusted[(8)]	(55)		(50)		(272)		(228)		(190)	
Adjusted Net Income (Non-GAAP)	**$159**		**$134**		**$770**		**$658**		**$538**	

(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 impact of LIFO reserve adjustments.
4. Includes early redemption premium and the write-off of certain pre-existing debt issuance costs.
5. Recognition of net actuarial loss for pension settlement represents non-recurring expense for the termination of certain defined benefit plans.
6. 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 ended March 29, 2025, business transformation costs related to projects associated with information technology infrastructure initiatives and related workforce efficiencies. For the 13 weeks ended March 30, 2024 and year ended 2024, business transformation costs related to projects associated with information technology infrastructure initiatives and related workforce efficiencies. For the year ended December 30, 2023, business transformation costs related to projects associated with information technology infrastructure initiatives. For the year ended December 31, 2022, business transformation costs consist of new facility openings, supply chain strategy improvements, and information technology infrastructure initiatives
7. Includes: (i) aggregate acquisition, integration related costs and divestiture costs of $13 million and $3 million for the 13 weeks ended March 29, 2025 and March 30, 2024, respectively and $22 million, $41 million and $22 million for the year ended December 28, 2024, December 30, 2023 and December 31 2022, respectively; (ii) CEO sign on bonus of $3 million for the year ended December 30, 2023; (iii) contested proxy and related legal and consulting costs of $21 million for the year ended 2022; (iv) CEO severance of $5 million for the year ended 2022; (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)	
	March 29, 2025	March 30, 2024
Diluted EPS (GAAP)	**$0.49**	**$0.33**
Restructuring activity and asset impairment charges[1]	0.02	0.05
Share-based compensation expense[2]	0.09	0.06
LIFO reserve adjustment[3]	0.02	0.18
Business transformation costs[4]	0.03	0.04
Business acquisition, integration related costs, divestitures and other[5]	0.06	0.01
Income tax provision, as adjusted[6]	(0.03)	(0.13)
Adjusted Diluted EPS (Non-GAAP)[7]	**$0.68**	**$0.54**
Weighted-average diluted shares outstanding (Non-GAAP)[8]	**234,181,469**	**248,474,916**

(1) – (8) 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. 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 ended March 29, 2025, business transformation costs related to projects associated with information technology infrastructure initiatives and related workforce efficiencies. For the 13 weeks ended March 30, 2024, business transformation costs related to projects associated with information technology infrastructure initiatives and related workforce efficiencies.
5. Includes: (i) aggregate acquisition, integration related costs and divestiture costs of $13 million and $3 million for the 13 weeks ended March 29, 2025 and March 30, 2024, respectively and (ii) other gains, losses or costs that we are permitted to addback for purposes of calculating Adjusted EBITDA under certain agreements governing our indebtedness.
6. 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.
7. Adjusted Diluted EPS is calculated as Adjusted Net income divided by weighted average diluted shares outstanding (Non-GAAP).
8. 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, when the Company has Net loss (GAAP), weighted-average diluted shares outstanding (GAAP) is used.

Non-GAAP Reconciliation – Net Debt and Net Leverage Ratios

($ in millions, except ratios)	(unaudited)		
	March 29, 2025	**December 28, 2024**	**March 30, 2024**
Total Debt (GAAP)	**$4,805**	**$4,928**	**$4,701**
Cash, cash equivalents and restricted cash	(101)	(59)	(267)
Net Debt (non-GAAP)	**$4,704**	**$4,869**	**$4,434**
Adjusted EBITDA[1]	$1,774	$1,741	$1,578
Net Leverage Ratio[2]	**2.7**	**2.8**	**2.8**

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