



NEWS RELEASE

US Foods Reports Second Quarter Fiscal Year 2026 Earnings

2026-08-06

Grew Net Sales 4.5% to \$10.5 Billion, Net Income 22.8% to \$275 Million and Diluted EPS 29.2% to \$1.24

Grew Adjusted EBITDA 10.2% to a Record \$604 Million and Adjusted Diluted EPS 21.0% to \$1.44

Accelerated Independent Restaurant Case Growth to 5.1%

Repurchased \$374 Million of Shares

ROSEMONT, Ill.--(BUSINESS WIRE)-- US Foods Holding Corp. (NYSE: USFD), one of the largest foodservice distributors in the United States, today announced results for the second quarter of fiscal year 2026.

Second Quarter Fiscal 2026 Highlights

- Total case volume increased 1.9%; independent restaurant case volume increased 5.1%
- Net sales increased 4.5% to \$10.5 billion
- Gross profit increased 8.0% to \$1.9 billion
- Net income increased 22.8% to \$275 million
- Net income margin increased 39 basis points to 2.6%
- Adjusted EBITDA 1 increased 10.2% to \$604 million
- Adjusted EBITDA margin 1 increased 29 basis points to 5.7%
- Diluted EPS increased 29.2% to \$1.24; Adjusted Diluted EPS 1 increased 21.0% to \$1.44

"Our team delivered another strong quarter, highlighted by accelerating volume growth, record Adjusted EBITDA

and Adjusted EBITDA margin and strong Adjusted EPS growth in what remains a challenging but stable industry environment,” said Dave Flitman, Chair of the Board and CEO. “Importantly, our results are in line with our long-range plan, including 10% Adjusted EBITDA growth and 21% Adjusted Diluted EPS growth driven by 29 basis points of margin expansion and 5% independent restaurant case growth. By leveraging our continuous improvement and self-help culture, we are enhancing service, improving productivity and delivering sustainable, profitable growth. I remain confident in our ability to continue to gain share with our target customer types, further improve customer service levels, deploy our strong and accelerating cash flow with discipline and compound earnings growth over time. I thank our 30,000 associates for their hard work and commitment to delivering excellence in serving our customers and pursuing our ambition to become the undisputed best in our industry.”

“Our second quarter results reflect consistent execution of our key initiatives, supported by strong operating performance,” added Dirk Locascio, CFO. “We expanded margins again this quarter through a combination of volume growth, gross profit gains and cost productivity improvements. Year-to-date, we invested \$174 million in capital expenditures and repurchased approximately \$500 million of shares, while maintaining our net leverage at 2.6 times. We remain confident in our ability to deliver sustained earnings growth and create long-term shareholder value.”

¹This earnings release includes several metrics, including Adjusted EBITDA, Adjusted Diluted EPS and Adjusted EBITDA margin, that are not calculated in accordance with U.S. generally accepted accounting principles (“GAAP”). Please refer to the “Non-GAAP Financial Measures” and “Non-GAAP Reconciliation” sections of this press release for the definitions and reconciliation of any non-GAAP financial measures to their respective most comparable financial measure calculated in accordance with GAAP.

Second Quarter Fiscal Year 2026 Results

Total case volume increased 1.9% from the prior year driven by a 5.1% increase in independent restaurant case volume, a 3.5% increase in healthcare volume and a 4.4% increase in hospitality volume, partially offset by a 1.5% decrease in chain volume. Total organic case volume increased 1.7%, which includes 5.0% organic independent restaurant case volume growth. Net sales of \$10.5 billion for the quarter increased 4.5% from the prior year, driven by case volume growth and food cost inflation of 2.3%.

Gross profit of \$1.9 billion increased by \$142 million, or 8.0%, from the prior year, primarily as a result of an increase in total case volume, improved cost of goods sold, and a \$19 million favorable year-over-year LIFO adjustment. Gross profit as a percentage of Net sales was 18.2%. Adjusted Gross profit was \$1.9 billion, an increase of \$123 million, or 6.9% from the prior year. Adjusted Gross profit as a percentage of Net sales was 18.2%.

Operating expenses of \$1.5 billion increased by \$71 million, or 5.1%, from the prior year, primarily as a result of an

increase in total case volume and higher distribution, selling and administrative costs, partially offset by actions to streamline administrative processes and costs. Operating expenses as a percentage of Net sales were 14.0%. Adjusted Operating expenses were \$1.3 billion, an increase of \$68 million, or 5.5% from the prior year. Adjusted Operating expenses as a percentage of Net sales were 12.5%.

Net income of \$275 million, increased by \$51 million, or 22.8%, from the prior year. Net income margin was 2.6%, an increase of 39 basis points compared to the prior year. Adjusted EBITDA of \$604 million, increased by \$56 million, or 10.2%, from the prior year. Adjusted EBITDA margin was 5.7%, an increase of 29 basis points compared to the prior year. Diluted EPS was \$1.24; Adjusted Diluted EPS was \$1.44.

Cash Flow and Debt

Cash flow provided by operating activities for the first six months of fiscal year 2026 and 2025 was \$725 million. Higher net income in the current period was offset by favorable changes in operating assets and liabilities in the prior comparative period. Cash capital expenditures for the first six months of fiscal year 2026 totaled \$174 million, an increase of \$13 million from the prior year, related to investments in information technology, property and equipment and construction of and improvements to distribution facilities.

Net Debt at the end of the second quarter of fiscal year 2026 was \$5.2 billion. The ratio of Net Debt to Adjusted EBITDA was 2.6x at the end of the second quarter of fiscal year 2026, compared to 2.7x at the end of fiscal year 2025.

During the second quarter of fiscal year 2026, the Company repurchased 4.4 million shares of common stock for \$374 million and for the first six months of fiscal year 2026 repurchased 5.8 million shares of common stock for approximately \$500 million, inclusive of fees, commissions, and any related excise tax. The Company had \$640 million in remaining funds authorized under the November 2025 share repurchase program.

Outlook for Fiscal Year 2026

The Company is reaffirming its Fiscal Year 2026 guidance provided on February 12, 2026 of:

- Net Sales growth of 4% to 6%
- Adjusted EBITDA growth of 9% to 13%
- Adjusted Diluted EPS growth of 18% to 24%

The guidance provided above includes the impact of a 53rd week in fiscal year 2026, which is expected to add approximately 1% to total case growth and Adjusted EBITDA growth.

2 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 activity 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 acquisition and integration related costs and divestiture 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 periods. For the same reasons, the Company is unable to address the significance of the unavailable information, which could be material to future results.

Conference Call and Webcast Information

US Foods will host a live webcast to discuss the second quarter of fiscal year 2026 results on Thursday, August 6, 2026, at 8 a.m. CDT. The call can also be accessed live over the phone by dialing (888) 660-6196; the conference ID number is USFDQ226. Presentation slides will be available shortly before the webcast begins. The webcast, slides, and a copy of this press release can be found in the Investor Relations section of our website at <https://ir.usfoods.com>.

About US Foods

With a promise to help its customers Make It, US Foods is one of America's great food companies and a leading foodservice distributor, partnering with approximately 250,000 customer locations to help their businesses succeed. With more than 70 broadline locations and more than 90 cash and carry stores, US Foods and its 30,000 associates provides its customers with a broad and innovative food offering and a comprehensive suite of e-commerce, technology and business solutions. US Foods is headquartered in Rosemont, Ill. Visit www.usfoods.com to learn more.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, without limitation, forecasted financial performance, statements about future results of operations and other statements which are not purely historical facts or that necessarily depend upon future events, including those under the heading "Outlook for Fiscal Year 2026." 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). These statements are not guarantees of future performance or results and are subject to risks, uncertainties and other important factors, many of which are beyond our control, that could cause actual results to differ materially from those expressed in the forward-looking statements, including, among others: changes in consumer eating habits,

including economic factors affecting consumer confidence and discretionary spending and the impact of advancements in pharmaceutical therapies, which may reduce the consumption of food prepared away from home; cost inflation/deflation and commodity volatility, including increases in fuel costs; geopolitical developments and supply chain disruptions; 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 and achieve the expected benefits from cost savings initiatives; the impact of climate change or related regulatory or market measures; the impact of governmental regulations related to our operations, including product safety; product recalls and product liability claims; our reputation in the industry; labor relations, increased labor costs and continued access to qualified labor; the level of interest rates and availability of indebtedness and restrictions under agreements governing our indebtedness; disruption of existing technologies and implementation of new technologies, including artificial intelligence; cybersecurity incidents and other technology disruptions; effective execution of the Company's growth strategy, including our ability to identify suitable acquisition targets, consummate on favorable terms and successfully integrate acquired businesses; risks to the health and safety of our associates and others; adverse judgments or settlements resulting from litigation; extreme weather conditions, natural disasters and other catastrophic events; and the timing and scope of future repurchases by US Foods of its common stock.

More information on these risks and other potential factors that could affect the Company's business, reputation, results of operations, financial condition, and stock price is included in the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's most recently filed periodic reports on Form 10-K and Form 10-Q and subsequent filings with the Securities and Exchange Commission. All forward-looking statements included in this press release are based on information available to us on the date hereof. For these statements, the Company claims the protection of the safe harbor for forward-looking statements in the Private Securities Litigation Reform Act. Accordingly, you are cautioned not to place undue reliance on these forward-looking statements. Except to the extent required by law, the Company does not undertake, and expressly disclaims, any duty or obligation to update publicly any forward-looking statement.

Non-GAAP Financial Measures

We report our financial results in accordance with U.S. generally accepted accounting principles ("GAAP"). However, Adjusted Gross profit, Adjusted Operating expenses, EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, Net Debt, Adjusted Net income and Adjusted Diluted EPS are non-GAAP financial measures regarding our operational performance and liquidity. These non-GAAP financial measures exclude the impact of certain items and, therefore, have not been calculated in accordance with GAAP.

We use Adjusted Gross profit and Adjusted Operating expenses as supplemental measures to GAAP measures to

focus on period-over-period changes in our business and believe this information is helpful to investors. Adjusted Gross profit is Gross profit adjusted to remove the impact of the LIFO inventory reserve adjustments. Adjusted Operating expenses are Operating expenses adjusted to exclude amounts that we do not consider part of our core operating results when assessing our performance.

We believe EBITDA, Adjusted EBITDA and Adjusted EBITDA margin provide meaningful supplemental information about our operating performance because they exclude amounts that we do not consider part of our core operating results when assessing our performance. EBITDA is Net income (loss), plus Interest expense-net, Income tax provision (benefit), and Depreciation and amortization. Adjusted EBITDA is EBITDA adjusted for (1) Restructuring activity and asset impairment charges; (2) Share-based compensation expense; (3) the non-cash impact of LIFO reserve adjustments; (4) loss on extinguishment of debt; (5) Business transformation costs; and (6) other gains, losses or costs as specified in the agreements governing our indebtedness. Adjusted EBITDA margin is Adjusted EBITDA divided by total Net sales.

We use Net Debt as a supplemental measure to GAAP measures to review the liquidity of our operations. Net Debt is defined as total debt net of total Cash, cash equivalents and restricted cash remaining on the balance sheet as of the end of the most recent fiscal quarter. We believe that Net Debt is a useful financial metric to assess our ability to pursue business opportunities and investments. Net Debt is not a measure of our liquidity under GAAP and should not be considered as an alternative to Cash Flows Provided by Operations or Cash Flows Used in Financing Activities.

We believe that Adjusted Net income is a useful measure of operating performance for both management and investors because it excludes items that are not reflective of our core operating performance and provides an additional view of our operating performance including depreciation, interest expense, and Income taxes on a consistent basis from period to period. Adjusted Net income is Net income (loss) excluding such items as restructuring activity and asset impairment charges, Share-based compensation expense, the non-cash impacts of LIFO reserve adjustments, amortization expense, loss on extinguishment of debt, Business transformation costs and other items, and adjusted for the tax effect of the exclusions and discrete tax items. We believe that Adjusted Net income may be used by investors, analysts, and other interested parties to facilitate period-over-period comparisons and provides additional clarity as to how factors and trends impact our operating performance.

We use Adjusted Diluted Earnings per Share, which is calculated by adjusting the most directly comparable GAAP financial measure, Diluted Earnings per Share, by excluding the same items excluded in our calculation of Adjusted EBITDA to the extent that each such item was included in the applicable GAAP financial measure. We believe the presentation of Adjusted Diluted Earnings per Share is useful to investors because the measurement excludes amounts that we do not consider part of our core operating results when assessing our performance. We also

believe that the presentation of Adjusted EBITDA, Adjusted EBITDA margin and Adjusted Diluted Earnings per Share is useful to investors because these metrics may be used by securities analysts, investors and other interested parties in their evaluation of the operating performance of companies in our industry.

Management uses these non-GAAP financial measures (a) to evaluate our historical and prospective financial performance as well as our performance relative to our competitors as they assist in highlighting trends, (b) to set internal sales targets and spending budgets, (c) to measure operational profitability and the accuracy of forecasting, (d) to assess financial discipline over operational expenditures, and (e) as an important factor in determining variable compensation for management and employees. EBITDA and Adjusted EBITDA are also used in connection with certain covenants and restricted activities under the agreements governing our indebtedness. We also believe these and similar non-GAAP financial measures are frequently used by securities analysts, investors, and other interested parties to evaluate companies in our industry.

We caution readers that our definitions of Adjusted Gross profit, Adjusted Operating expenses, EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, Net Debt, Adjusted Net income and Adjusted Diluted EPS may not be calculated in the same manner as similar measures used by other companies. Definitions and reconciliations of the non-GAAP financial measures to their most comparable GAAP financial measures are included in the schedules attached to this press release.

US FOODS HOLDING CORP.
Consolidated Balance Sheets
(Unaudited)

(\$ in millions)	June 27, 2026	December 27, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 56	\$ 41
Accounts receivable, less allowances of \$32 and \$30	2,228	2,026
Vendor receivables, less allowances of \$8 and \$7	251	173
Inventories—net	1,703	1,711
Prepaid expenses	174	153
Other current assets	35	60
Total current assets	4,447	4,164
Property and equipment—net	2,713	2,681
Goodwill	5,796	5,794
Other intangibles—net	753	781
Other assets	627	523
Total assets	<u>\$ 14,336</u>	<u>\$ 13,943</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Cash overdraft liability	\$ 168	\$ 168
Accounts payable	2,794	2,447
Accrued expenses and other current liabilities	799	839
Current portion of long-term debt	150	137
Total current liabilities	3,911	3,591
Long-term debt	5,087	5,063
Deferred tax liabilities	439	426
Other long-term liabilities	620	556
Total liabilities	10,057	9,636
Shareholders' equity:		
Common stock	3	3
Additional paid-in capital	3,857	3,777
Retained earnings	3,070	2,679
Accumulated other comprehensive income	48	48
Treasury Stock	(2,699)	(2,200)
Total shareholders' equity	4,279	4,307
Total liabilities and shareholders' equity	<u>\$ 14,336</u>	<u>\$ 13,943</u>

US FOODS HOLDING CORP.
Consolidated Statements of Operations
(Unaudited)

(in millions, except per share data)	For the 13 weeks ended		For the 26 weeks ended	
	June 27, 2026	June 28, 2025	June 27, 2026	June 28, 2025
Net sales	\$ 10,532	\$ 10,082	\$ 20,142	\$ 19,433
Cost of goods sold	8,613	8,305	16,570	16,042
Gross profit	1,919	1,777	3,572	3,391
Distribution, selling and administrative costs	1,477	1,403	2,906	2,788
Restructuring activity and asset impairment charges	(1)	2	7	7
Total operating expenses	1,476	1,405	2,913	2,795
Operating income	443	372	659	596
Other income—net	(3)	(2)	(4)	(3)
Interest expense—net	77	74	152	151
Income before income taxes	369	300	511	448
Income tax provision	94	76	120	109
Net income	\$ 275	\$ 224	\$ 391	\$ 339
Net income per share				
Basic	\$ 1.26	\$ 0.97	\$ 1.78	\$ 1.47
Diluted	\$ 1.24	\$ 0.96	\$ 1.76	\$ 1.45
Weighted-average common shares outstanding				
Basic	218.6	230.3	219.5	230.4
Diluted	220.5	233.0	222.0	233.6

US FOODS HOLDING CORP.
Consolidated Statements of Cash Flows
(Unaudited)

(\$ in millions)	For the 26 weeks ended	
	June 27, 2026	June 28, 2025
Cash flows from operating activities:		
Net income	\$ 391	\$ 339
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	237	227
Deferred tax provision	13	15
Share-based compensation expense	54	45
Provision for doubtful accounts	19	17
Other non-cash activities	4	1
Changes in operating assets and liabilities:		
Increase in receivables	(299)	(230)
Decrease in inventories	8	65
Decrease (increase) in prepaid expenses and other assets	13	(18)
Increase in accounts payable and cash overdraft liability	364	268
Decrease in accrued expenses and other liabilities	(79)	(4)
Net cash provided by operating activities	725	725
Cash flows from investing activities:		
Proceeds from sales of property and equipment	1	5
Proceeds from divestitures	—	38
Purchases of property and equipment	(174)	(161)
Cash paid for acquisitions	(2)	(87)
Net cash used in investing activities	(175)	(205)
Cash flows from financing activities:		
Principal payments on debt and financing leases	(5,083)	(4,303)
Proceeds from debt borrowings	5,021	4,069
Repurchase of common stock	(445)	(270)
Debt financing costs and fees	(4)	—
Proceeds from employee stock purchase plan	17	16
Proceeds from exercise of stock options	10	5
Purchase of interest rate caps	—	(1)
Tax withholding payments for net share-settled equity awards	(51)	(34)
Net cash used in financing activities	(535)	(518)
Net increase in cash, cash equivalents and restricted cash	15	2
Cash, cash equivalents and restricted cash—beginning of period	41	59
Cash, cash equivalents and restricted cash—end of period	\$ 56	\$ 61
Supplemental disclosures of cash flow information:		
Interest paid—net of amounts capitalized	\$ 150	\$ 149
Income taxes paid—net	93	80
Property and equipment purchases included in accounts payable	53	45
Leased assets obtained in exchange for financing lease liabilities	98	135
Leased assets obtained in exchange for operating lease liabilities	108	68

US FOODS HOLDING CORP.
Non-GAAP Reconciliation
(Unaudited)

For the 13 weeks ended

(in millions, except per share data)	June 27, 2026		June 28, 2025		Change	%
Net income and Net income margin (GAAP)	\$ 275	2.6%	\$ 224	2.2%	\$ 51	22.8%
Interest expense—net	77		74		3	4.1%
Income tax provision	94		76		18	23.7%
Depreciation expense	104		102		2	2.0%
Amortization expense	14		13		1	7.7%
EBITDA and EBITDA margin (Non-GAAP)	564	5.4%	489	4.9%	75	15.3%
Adjustments:						
Restructuring activity and asset impairment charges(1)	—		2		(2)	(100.0)%
Share-based compensation expense(2)	32		23		9	39.1%
LIFO reserve adjustments (3)	(5)		14		(19)	(135.7)%
Business transformation costs(4)	10		13		(3)	(23.1)%
Business acquisition, integration related costs, divestitures and other(5)	3		7		(4)	(57.1)%
Adjusted EBITDA and Adjusted EBITDA margin (Non-GAAP)	604	5.7%	548	5.4%	56	10.2%
Depreciation expense	(104)		(102)		(2)	2.0%
Interest expense—net	(77)		(74)		(3)	4.1%
Income tax provision, as adjusted(6)	(106)		(95)		(11)	11.6%
Adjusted Net income (Non-GAAP)	\$ 317		\$ 277		\$ 40	14.4%
Diluted EPS (GAAP)	\$ 1.24		\$ 0.96		\$ 0.28	29.2%
Restructuring activity and asset impairment charges(1)	—		0.01		(0.01)	(100.0)%
Share-based compensation expense(2)	0.15		0.10		0.05	50.0%
LIFO reserve adjustment(3)	(0.02)		0.06		(0.08)	(133.3)%
Business transformation costs(4)	0.05		0.06		(0.01)	(16.7)%
Business acquisition, integration related costs, divestitures and other(5)	0.01		0.03		(0.02)	(66.7)%
Income tax provision, as adjusted(6)	0.01		(0.03)		0.04	(133.3)%
Adjusted Diluted EPS (Non-GAAP)(7)	\$ 1.44		\$ 1.19		\$ 0.25	21.0%
Weighted-average diluted shares outstanding	220.5		233.0			
Gross profit (GAAP)	\$ 1,919		\$ 1,777		\$ 142	8.0%
LIFO reserve adjustment(3)	(5)		14		(19)	(135.7)%
Adjusted Gross profit (Non-GAAP)	\$ 1,914		\$ 1,791		\$ 123	6.9%
Operating expenses (GAAP)	\$ 1,476		\$ 1,405		\$ 71	5.1%
Depreciation expense	(104)		(102)		(2)	2.0%
Amortization expense	(14)		(13)		(1)	7.7%
Restructuring activity and asset impairment charges(1)	—		(2)		2	(100.0)%
Share-based compensation expense(2)	(32)		(23)		(9)	39.1%
Business transformation costs(4)	(10)		(13)		3	(23.1)%
Business acquisition, integration related costs, divestitures and other(5)	(3)		(7)		4	(57.1)%
Adjusted Operating expenses (Non-GAAP)	\$ 1,313		\$ 1,245		\$ 68	5.5%

NM - Not Meaningful

(1) Consists primarily of severance and related costs, organizational realignment costs and other 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 June 27, 2026 and June 28, 2025, respectively, 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 \$1 million and \$7 million for the 13 weeks ended June 27, 2026 and June 28, 2025, 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.

US FOODS HOLDING CORP.
Non-GAAP Reconciliation
(Unaudited)

For the 26 weeks ended

(in millions, except per share data)	June 27, 2026		June 28, 2025		Change	%
Net income and Net income margin (GAAP)	\$ 391	1.9%	\$ 339	1.7%	\$ 52	15.3%
Interest expense—net	152		151		1	0.7%
Income tax provision	120		109		11	10.1%
Depreciation expense	209		200		9	4.5%
Amortization expense	28		27		1	3.7%
EBITDA and EBITDA margin (Non-GAAP)	900	4.5%	826	4.3%	74	9.0%
Adjustments:						
Restructuring activity and asset impairment charges(1)	8		7		1	14.3%
Share-based compensation expense(2)	54		45		9	20.0%
LIFO reserve adjustments (3)	33		19		14	73.7%
Business transformation costs(4)	17		20		(3)	(15.0)%
Business acquisition, integration related costs, divestitures and other(5)	5		20		(15)	(75.0)%
Adjusted EBITDA and Adjusted EBITDA margin (Non-GAAP)	1,017	5.0%	937	4.8%	80	8.5%
Depreciation expense	(209)		(200)		(9)	4.5%
Interest expense—net	(152)		(151)		(1)	0.7%
Income tax provision, as adjusted(6)	(165)		(150)		(15)	10.0%
Adjusted Net income (Non-GAAP)	\$ 491		\$ 436		\$ 55	12.6%
Diluted EPS (GAAP)	\$ 1.76		\$ 1.45		\$ 0.31	21.4%
Restructuring activity and asset impairment charges(1)	0.04		0.03		0.01	33.3%
Share-based compensation expense(2)	0.24		0.19		0.05	26.3%
LIFO reserve adjustments (3)	0.15		0.08		0.07	87.5%
Business transformation costs(4)	0.08		0.09		(0.01)	(11.1)%
Business acquisition, integration related costs, divestitures and other(5)	0.02		0.09		(0.07)	(77.8)%
Income tax provision, as adjusted(6)	(0.08)		(0.06)		(0.02)	33.3%
Adjusted Diluted EPS (Non-GAAP)(7)	\$ 2.21		\$ 1.87		\$ 0.34	18.2%
Weighted-average diluted shares outstanding	222.0		233.6			
Gross profit (GAAP)	\$ 3,572		\$ 3,391		\$ 181	5.3%
LIFO reserve adjustments(3)	33		19		14	73.7%
Adjusted Gross profit (Non-GAAP)	\$ 3,605		\$ 3,410		\$ 195	5.7%
Operating expenses (GAAP)	\$ 2,913		\$ 2,795		\$ 118	4.2%
Depreciation expense	(209)		(200)		(9)	4.5%
Amortization expense	(28)		(27)		(1)	3.7%
Restructuring activity and asset impairment charges(1)	(8)		(7)		(1)	14.3%
Share-based compensation expense (2)	(54)		(45)		(9)	20.0%
Business transformation costs(4)	(17)		(20)		3	(15.0)%
Business acquisition, integration related costs, divestitures and other(5)	(5)		(20)		15	(75.0)%
Adjusted Operating expenses (Non-GAAP)	\$ 2,592		\$ 2,476		\$ 116	4.7%

NM - Not Meaningful

(1) Consists primarily of severance and related costs, organizational realignment costs and other 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 26 weeks ended June 27, 2026 and June 28, 2025, respectively, 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 \$2 million and \$20 million for the 26 weeks ended June 27, 2026 and June 28, 2025, respectively (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.

US FOODS HOLDING CORP.
Non-GAAP Reconciliation
Net Debt and Net Leverage Ratios

(in millions, except ratios)	June 27, 2026	December 27, 2025	June 28, 2025
Total Debt (GAAP)	\$5,237	\$5,200	\$4,831
Cash, cash equivalents and restricted cash	(56)	(41)	(61)
Net Debt (Non-GAAP)	\$5,181	\$5,159	\$4,770
Adjusted EBITDA (1)	\$2,012	\$1,932	\$1,833
Net Leverage Ratio (2)	2.6	2.7	2.6
(1) Trailing Twelve Months (TTM) Adjusted EBITDA			
(2) Net Debt/TTM Adjusted EBITDA			

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