



**WE HELP YOU MAKE IT™**

## **Q3 Fiscal 2021 Results**

November 8, 2021

# Cautionary statements regarding forward-looking information

This presentation contains “forward-looking statements” within the meaning of the federal securities laws concerning, among other things, our liquidity, our possible or assumed results of operations and our business strategies. These forward-looking statements, including any statements regarding EBITDA guidance, 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; cost inflation/deflation and commodity volatility; competition; reliance on third party suppliers and interruption of product supply or increases in product costs; achievement of expected benefits from cost savings initiatives; increases in fuel costs; changes in consumer eating habits; labor relations and increased labor costs and continued access to qualified and diverse labor; effective integration of acquired businesses; and extreme weather conditions, natural disasters and other catastrophic events.

For a detailed discussion of these risks, uncertainties and other factors, 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. The forward-looking statements contained in this presentation speak only as of the date of this presentation. We undertake no obligation to update or revise any forward-looking statements.

# Strategic focus aligned with pre-pandemic strategy

**1** Profitably grow market share through Great Food. Made Easy.

**2** Optimize margins with existing customers

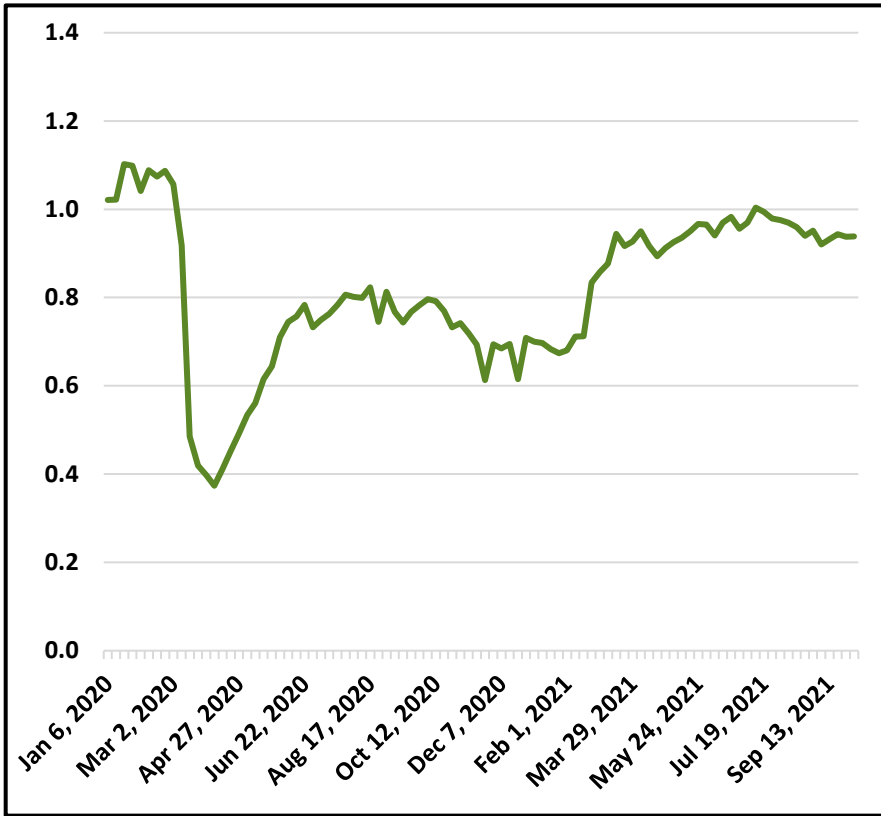
**3** Focus intensely on operational efficiency



# US Foods expected to outpace broader industry recovery

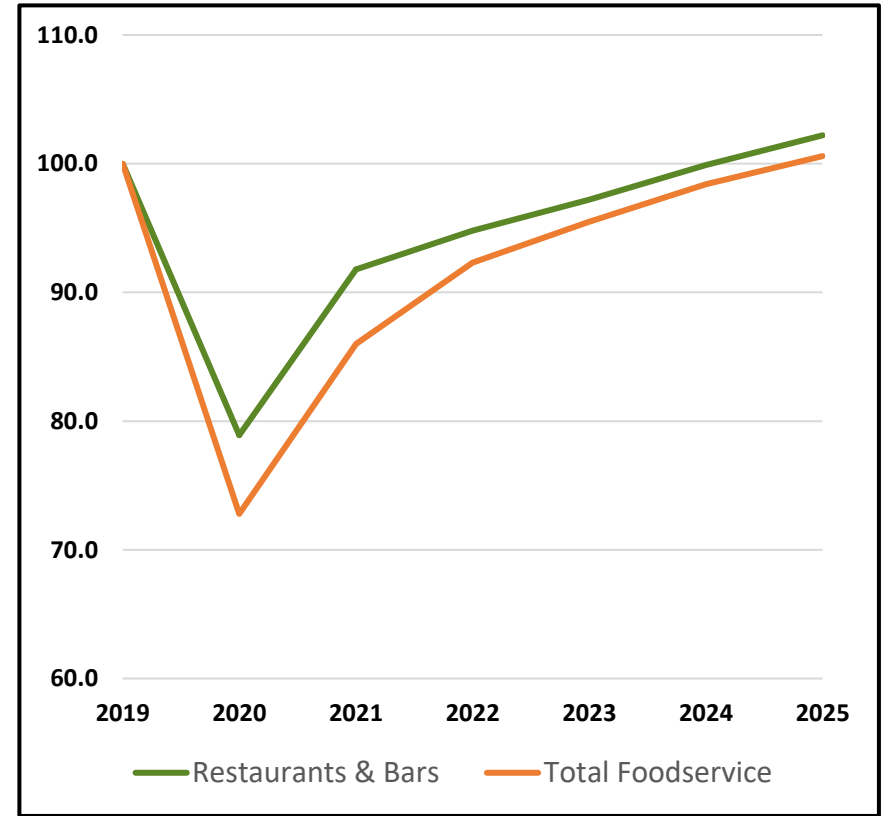
**Relative Foot Traffic at FAFH Businesses<sup>(1)</sup>**

Week Starting Date; 2020-2021



**Technomic Industry Real Sales Forecast<sup>(2)</sup>**

Annual Periods; 2019-2025



## Expect US Foods' volume to return to 2019 levels in 2022

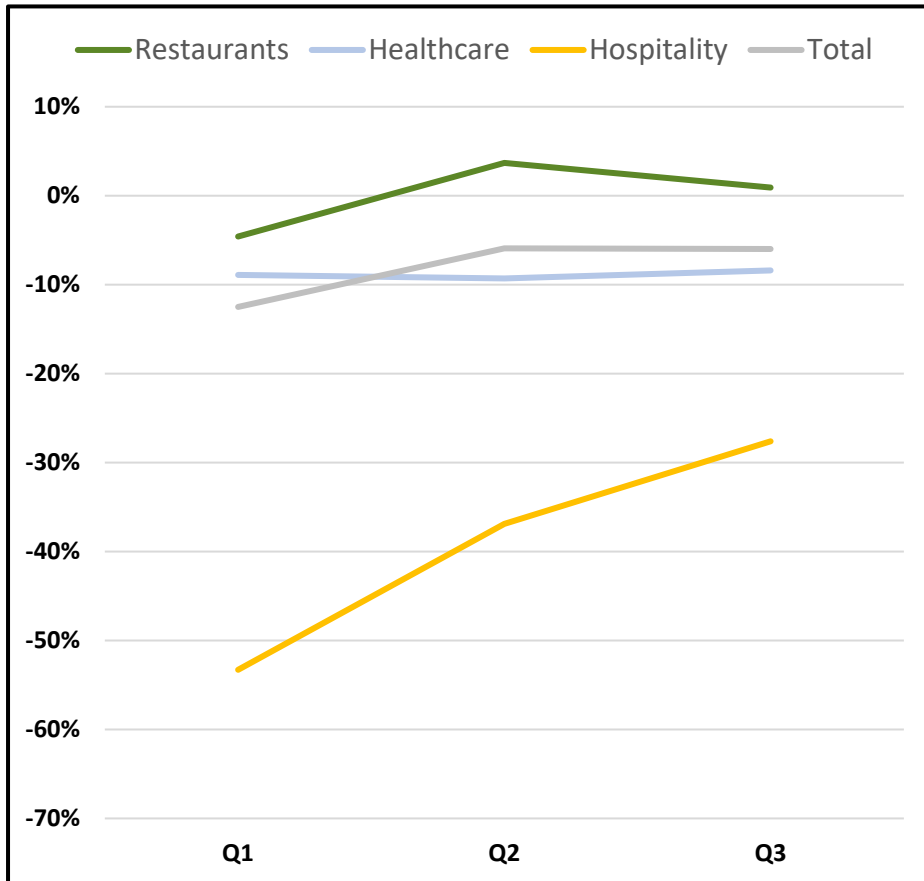
(1) SafeGraph – average relative foot traffic through week of October 4, 2021 at food away from home (FAFH) businesses

(2) Technomic Long-Term Forecast Program; September 2021 Edition

# Consistent third quarter volume growth

## US Foods Monthly Case Volume by Customer Type<sup>(1)</sup>

YOY Percent Change vs Fiscal 2019 Baseline



- Restaurants remain above 2019
  - Change in growth rate in line with industry trends
  - Accelerated growth rate in October
- Healthcare remains steady
- Hospitality improvement from travel pick-up and re-openings
- \$1 billion in net new customer wins over last two years

(1) Legacy US Foods case volume; excludes Food Group and CHEF'STORE case volume

# Great Food. Made Easy. driving market share gains

## INNOVATIVE PRODUCTS



## LEADING TECHNOLOGY



## TEAM-BASED SELLING



- Since starting Scoop™ in 2011, have launched 540 exclusive products; 80% are still sold
- Successful national launch of Tender by Design™ delivered 300bps market share gain in sub-category; 2022 expansion planned

- New enhancements to provide better visibility during ordering
- Mobile app survey confirms industry and technology leadership

- Recognized for our programs aimed at helping independent restaurants “Make It” over the last 12 months
- Supporting customer through 1:1 consultations, webinars and operational playbooks

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# Gross profit and operating initiatives position us for margin expansion while also improving the customer experience

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## Continued focus on Gross Profit dollar growth

- Timely pass through of product inflation
- Private label sales returning to pre-COVID levels
- Optimize customer mix for profitability

## Operational improvements driving supply chain efficiencies

- Assortment rationalization
- Warehouse technology and process innovation
- Routing optimization



# Acquisitions continue to perform in line with our expectations

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## CHEF'S STORE

- Same store sales remain ahead of 2019
- Expect 2021 Adjusted EBITDA to exceed 2019 levels
- Activities underway to increase number of new store openings in 2022

## Food Group

- Completed six system conversions to date; on track to complete in early 2022
- Expect to achieve \$40 million of projected \$65 million total synergies by end of fiscal 2021
- Expanding product and protein capabilities in legacy US Foods markets



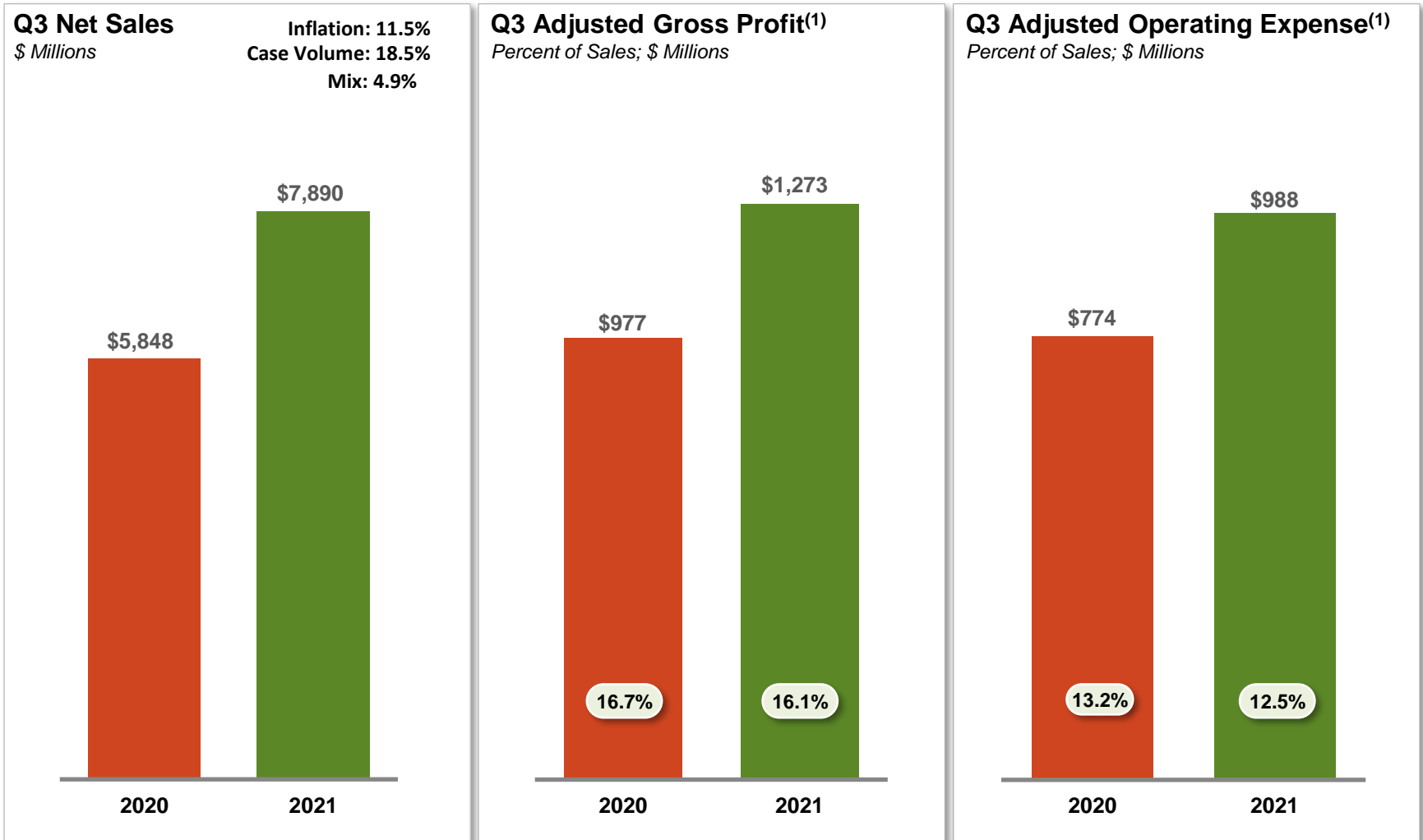
Q3 FISCAL 2021  
FINANCIAL RESULTS

## Third quarter financial results demonstrate strength of business

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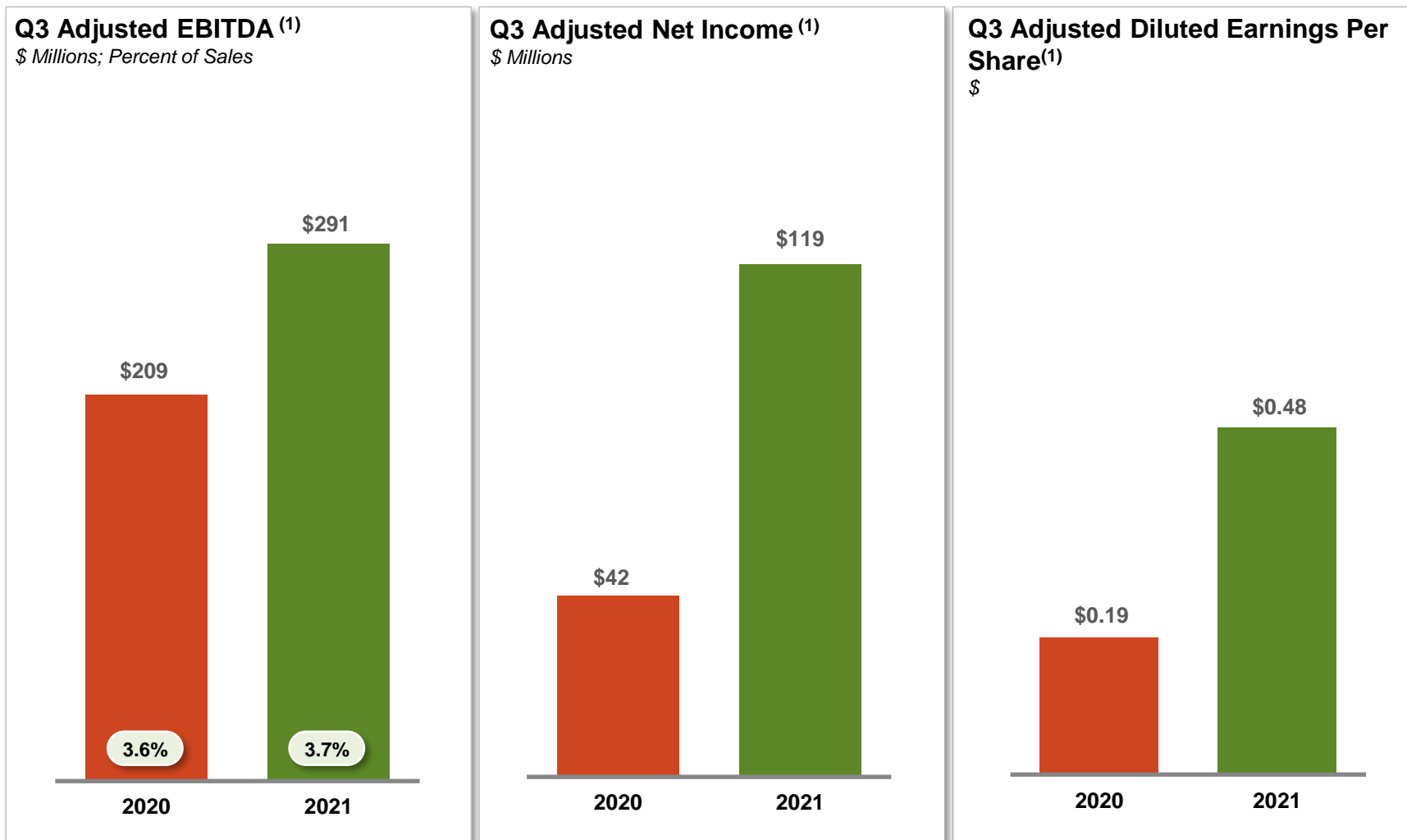
- Adjusted EBITDA in line with our expectations
  - Volume in line vs Q2; seeing re-acceleration in October
  - Continued strong Gross Profit per case performance helped offset higher supply chain labor costs
  - Solid cash flow and further de-leverage
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# Strategy driving financial results as the recovery continues to progress



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

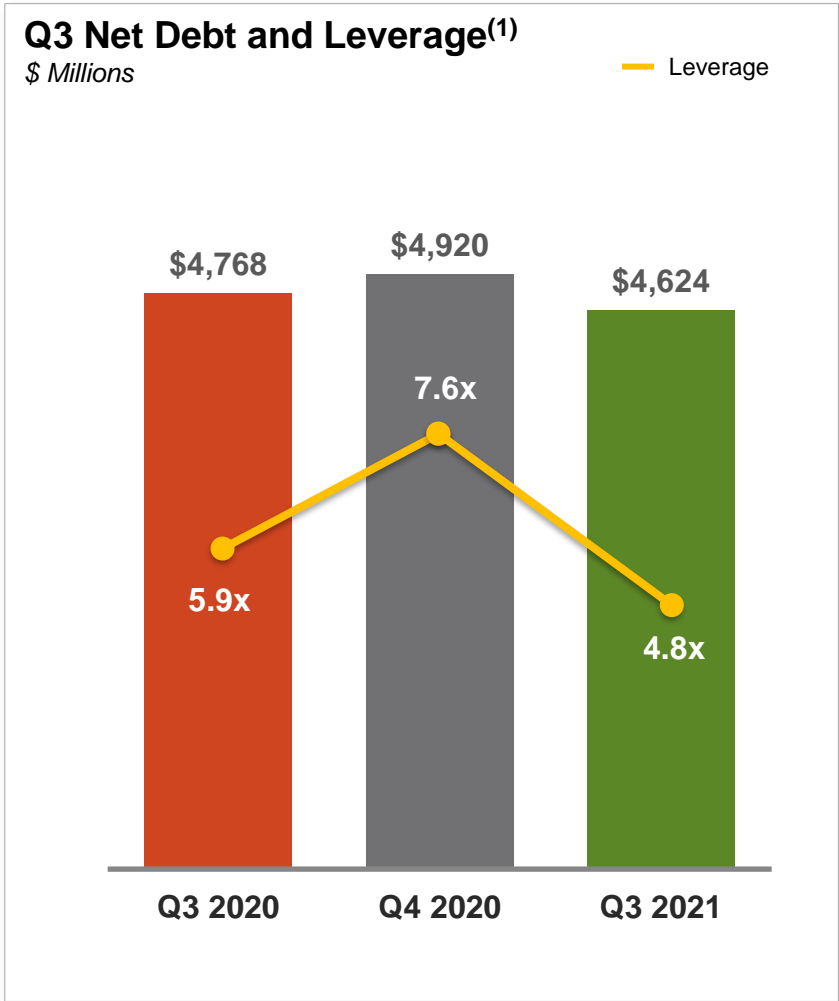
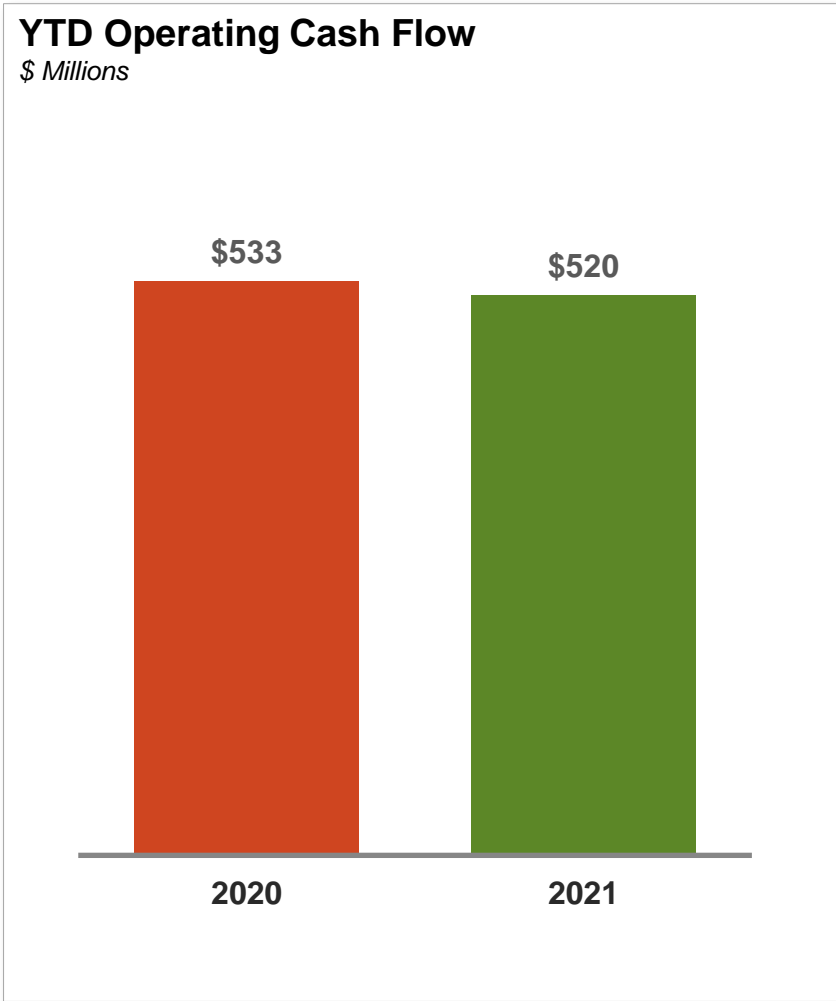
# Delivering improved earnings as case volume recovers



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

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# Continued net debt and leverage reduction



(1) Reconciliations of non-GAAP measures and Net Debt / TTM Adjusted EBTIDA are provided in the Appendix



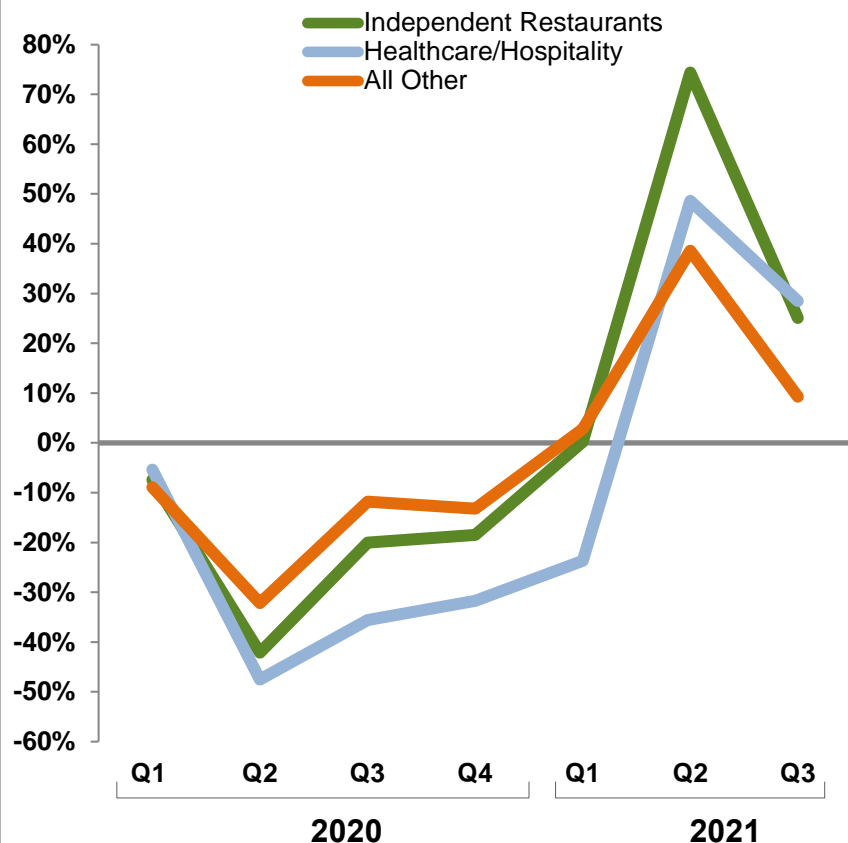


APPENDIX:  
Q3 FISCAL 2021 SUMMARY  
NON-GAAP RECONCILIATIONS

# Quarterly case volume trend vs fiscal year 2020

## Organic Case Growth by Quarter (1)

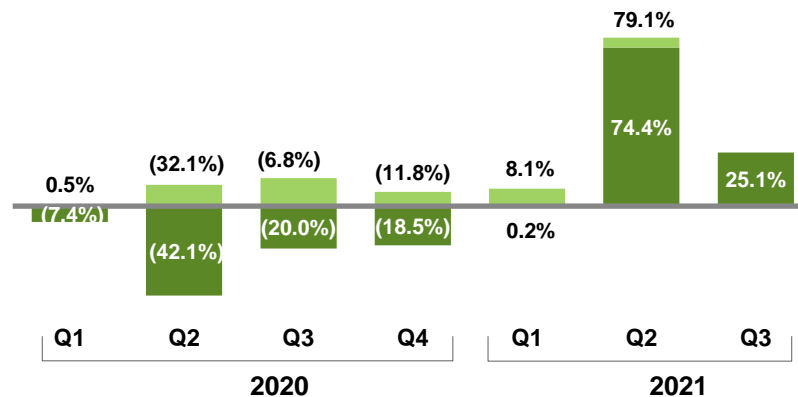
YOY percent change



## Independent Restaurant Case Growth (1)

YOY percent change for total and organic cases

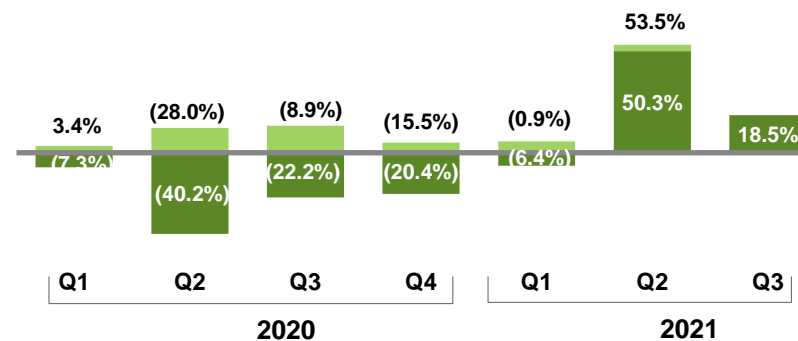
Organic (Dark Green), Acquisitions (Light Green)



## Total Case Growth (1)

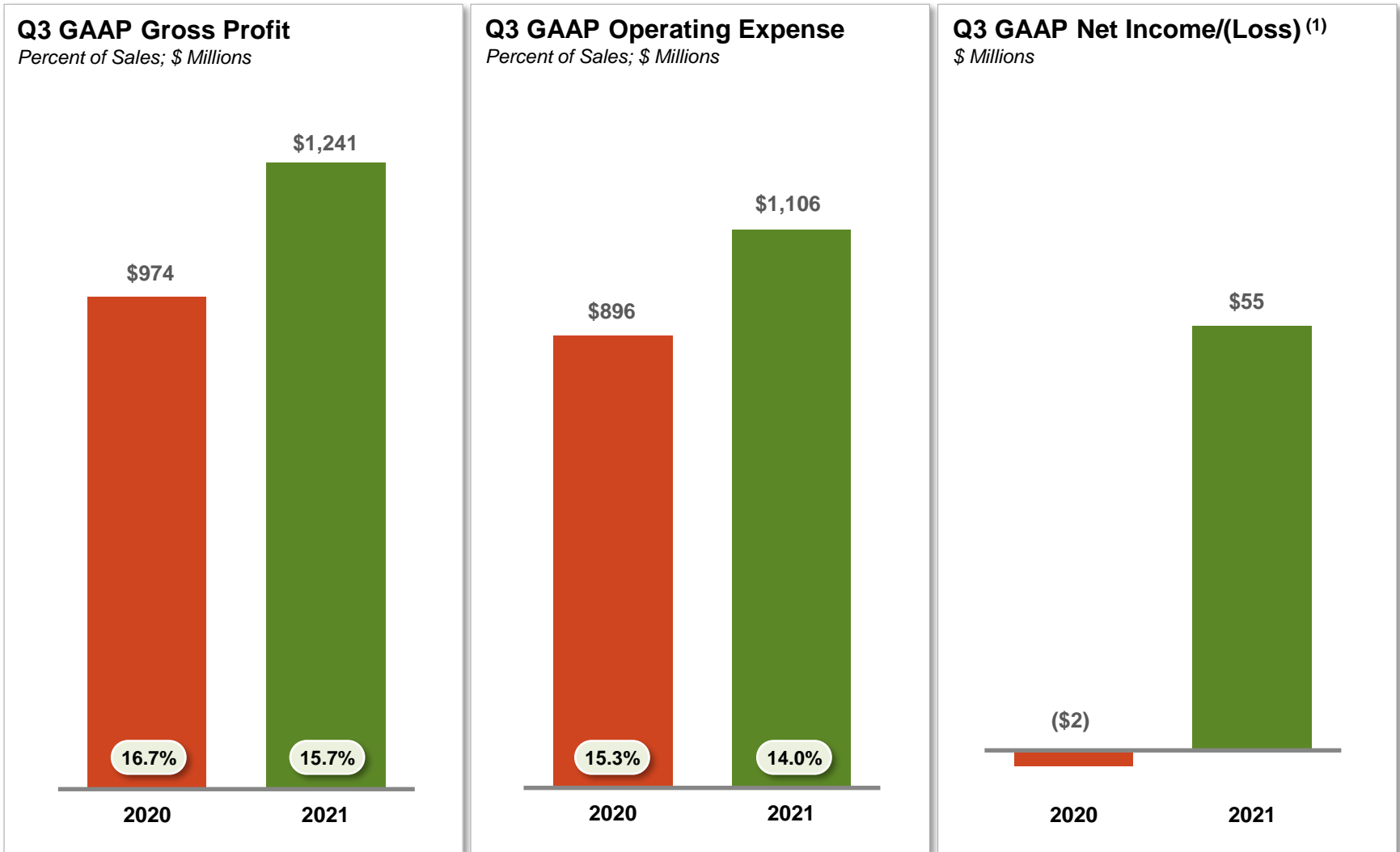
YOY percent change for total and organic cases

Organic (Dark Green), Acquisitions (Light Green)



(1) Case volume results exclude the impact of the 53<sup>rd</sup> week in the fourth quarter of fiscal 2020

# Third quarter GAAP results



(1) Net Income/(Loss) available to common shareholders

# Third Quarter Financial Performance

	Reported (unaudited)			Adjusted <sup>(1)</sup> (unaudited)		
	13 Weeks Ended			13 Weeks Ended		
	October 2, 2021	September 26, 2020	Change	October 2, 2021	September 26, 2020	Change
(\$ in millions, except per share data)						
Case Growth			18.5%			
Net Sales	7,890	5,848	34.9%			
Gross Profit	1,241	974	27.4%	1,273	977	30.3%
% of Net Sales	15.7%	16.7%	(100) bps	16.1%	16.7%	(60) bps
Operating Expenses	1,106	896	23.4%	988	774	27.6%
% of Net Sales	14.0%	15.3%	(130) bps	12.5%	13.2%	(70) bps
Net Income (Loss) <sup>(2)</sup>	64	8	NM	119	42	183.3%
Diluted EPS <sup>(3)</sup>	\$0.24	\$(0.01)	NM	\$0.48	\$0.19	152.6%
Adjusted EBITDA				291	209	39.2%
Adjusted EBITDA Margin <sup>(4)</sup>				3.7%	3.6%	10 bps

NM - Not Meaningful

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

	Reported (unaudited)			Adjusted <sup>(1)</sup> (unaudited)		
	39 Weeks Ended			39 Weeks Ended		
	October 2, 2021	September 26, 2020	Change	October 2, 2021	September 26, 2020	Change
(\$ in millions, except per share data)						
Case Growth			20.8%			
Net Sales	21,848	16,747	30.5%			
Gross Profit	3,413	2,711	25.9%	3,563	2,760	29.1%
% of Net Sales	15.6%	16.2%	(60) bps	16.3%	16.5%	(20) bps
Operating Expenses	3,126	2,818	10.9%	2,787	2,302	21.1%
% of Net Sales	14.3%	16.8%	(250) bps	12.8%	13.7%	(90) bps
Net Income (Loss) <sup>(2)</sup>	95	(216)	(144.0)%	292	25	NM
Diluted EPS <sup>(3)</sup>	\$0.28	\$(1.05)	(126.7)%	\$1.17	\$0.11	NM
Adjusted EBITDA				795	474	67.7%
Adjusted EBITDA Margin <sup>(4)</sup>				3.6%	2.8%	80 bps

NM - Not Meaningful

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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)	13 Weeks Ended		39 Weeks Ended	
	(unaudited)		(unaudited)	
	October 2, 2021	September 26, 2020	October 2, 2021	September 26, 2020
<b>Gross profit (GAAP)</b>	<b>\$1,241</b>	<b>\$974</b>	<b>\$3,413</b>	<b>\$2,711</b>
LIFO reserve change <sup>(1)</sup>	32	3	150	9
COVID-19 product donations and inventory adjustments <sup>(6)</sup>	—	—	—	40
<b>Adjusted Gross profit (Non-GAAP)</b>	<b>\$1,273</b>	<b>\$977</b>	<b>\$3,563</b>	<b>\$2,760</b>
<b>Operating expenses (GAAP)</b>	<b>\$1,106</b>	<b>\$896</b>	<b>\$3,126</b>	<b>\$2,818</b>
Adjustments:				
Depreciation and amortization expense	(91)	(109)	(286)	(316)
Restructuring costs and asset impairment charges <sup>(2)</sup>	(7)	(23)	(11)	(39)
Share-based compensation expense <sup>(3)</sup>	(13)	(10)	(36)	(29)
Business transformation costs <sup>(4)</sup>	(3)	—	(17)	(8)
COVID-19 bad debt benefit (expense) <sup>(5)</sup>	—	30	15	(65)
COVID-19 other related expenses <sup>(7)</sup>	—	(4)	(1)	(15)
Business acquisition and integration related costs and other <sup>(8)</sup>	(4)	(6)	(3)	(44)
<b>Adjusted Operating expenses (Non-GAAP)</b>	<b>\$988</b>	<b>\$774</b>	<b>\$2,787</b>	<b>\$2,302</b>

(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 change 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 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 \$4 million and \$16 million for the 13 weeks and 39 weeks ended October 2, 2021; respectively, and \$5 million and \$43 million for the 13 weeks and 39 weeks ended September 26, 2020, respectively; and (ii) favorable legal settlement recovery of \$13 million for the 39 weeks ended October 2, 2021; 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)

**Net income (loss) available to common shareholders (GAAP)**

Series A convertible preferred stock dividends

**Net income (loss) (GAAP)**

Interest expense—net

Income tax expense (benefit)

Depreciation expense

Amortization expense

**EBITDA (Non-GAAP)**

Adjustments:

Restructuring costs and asset impairment charges <sup>(1)</sup>

Share-based compensation expense <sup>(2)</sup>

LIFO reserve change <sup>(3)</sup>

Loss on extinguishment of debt <sup>(4)</sup>

Business transformation costs <sup>(5)</sup>

COVID-19 bad debt (benefit) expense <sup>(6)</sup>

COVID-19 product donations and inventory adjustments <sup>(7)</sup>

COVID-19 other related expenses <sup>(8)</sup>

Business acquisition and integration related costs and other <sup>(9)</sup>

**Adjusted EBITDA (Non-GAAP)**

**Adjusted EBITDA (Non-GAAP)**

Depreciation expense

Interest expense—net

Income tax provision, as adjusted <sup>(10)</sup>

**Adjusted net income (Non-GAAP) <sup>(11)</sup>**

	13 Weeks Ended (unaudited)		39 Weeks Ended (unaudited)	
	October 2, 2021	September 26, 2020	October 2, 2021	September 26, 2020
	\$55	\$(2)	\$62	\$(231)
Series A convertible preferred stock dividends	(9)	(10)	(33)	(15)
<b>Net income (loss) (GAAP)</b>	<b>64</b>	<b>8</b>	<b>95</b>	<b>(216)</b>
Interest expense—net	50	63	158	178
Income tax expense (benefit)	27	13	30	(53)
Depreciation expense	79	88	242	257
Amortization expense	12	21	44	59
<b>EBITDA (Non-GAAP)</b>	<b>\$232</b>	<b>\$193</b>	<b>\$569</b>	<b>\$225</b>
Adjustments:				
Restructuring costs and asset impairment charges <sup>(1)</sup>	7	23	11	39
Share-based compensation expense <sup>(2)</sup>	13	10	36	29
LIFO reserve change <sup>(3)</sup>	32	3	150	9
Loss on extinguishment of debt <sup>(4)</sup>	—	—	23	—
Business transformation costs <sup>(5)</sup>	3	—	17	8
COVID-19 bad debt (benefit) expense <sup>(6)</sup>	—	(30)	(15)	65
COVID-19 product donations and inventory adjustments <sup>(7)</sup>	—	—	—	40
COVID-19 other related expenses <sup>(8)</sup>	—	4	1	15
Business acquisition and integration related costs and other <sup>(9)</sup>	4	6	3	44
<b>Adjusted EBITDA (Non-GAAP)</b>	<b>\$291</b>	<b>\$209</b>	<b>\$795</b>	<b>\$474</b>
<b>Adjusted EBITDA (Non-GAAP)</b>	<b>\$291</b>	<b>\$209</b>	<b>\$795</b>	<b>\$474</b>
Depreciation expense	(79)	(88)	(242)	(257)
Interest expense—net	(50)	(63)	(158)	(178)
Income tax provision, as adjusted <sup>(10)</sup>	(43)	(16)	(103)	(14)
<b>Adjusted net income (Non-GAAP) <sup>(11)</sup></b>	<b>\$119</b>	<b>\$42</b>	<b>\$292</b>	<b>\$25</b>

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

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# 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 change 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 \$4 million and \$16 million for the 13 weeks and 39 weeks ended October 2, 2021; respectively, and \$5 million and \$43 million for the 13 weeks and 39 weeks ended September 26, 2020, respectively; and (ii) favorable legal settlement recovery of \$13 million for the 39 weeks ended October 2, 2021; 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 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)

	13 Weeks Ended (unaudited)		39 Weeks Ended (unaudited)	
	October 2, 2021	September 26, 2020	October 2, 2021	September 26, 2020
<b>Diluted EPS (GAAP)</b>	<b>\$0.24</b>	<b>(\$0.01)</b>	<b>\$0.28</b>	<b>(\$1.05)</b>
Restructuring costs and asset impairment charges <sup>(1)</sup>	0.03	0.10	0.04	0.18
Share-based compensation expense <sup>(2)</sup>	0.05	0.05	0.14	0.13
LIFO reserve change <sup>(3)</sup>	0.13	0.01	0.60	0.04
Loss on extinguishment of debt <sup>(4)</sup>	—	—	0.09	—
Business transformation costs <sup>(5)</sup>	0.01	—	0.07	0.04
COVID-19 bad debt (benefit) expense <sup>(6)</sup>	—	(0.14)	(0.06)	0.30
COVID-19 product donations and inventory adjustments <sup>(7)</sup>	—	—	—	0.18
COVID-19 other related expenses <sup>(8)</sup>	—	0.02	—	0.07
Business acquisition and integration related costs and other <sup>(9)</sup>	0.02	0.03	0.01	0.20
Income tax impact of adjustments <sup>(10)</sup>	—	0.13	—	0.02
<b>Adjusted Diluted EPS (Non-GAAP) <sup>(11)</sup></b>	<b>\$ 0.48</b>	<b>\$ 0.19</b>	<b>\$ 1.17</b>	<b>\$ 0.11</b>
<b>Weighted-average diluted shares outstanding (Non-GAAP) <sup>(12)</sup></b>	<b>249,997,426</b>	<b>220,155,366</b>	<b>249,745,420</b>	<b>219,659,697</b>

(1)-(12) 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.
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4. Includes early redemption premium and the write-off of certain pre-existing debt issuance costs.
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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

(unaudited)

(\$ in millions, except ratios)

	October 2, 2021	January 2, 2021	September 26, 2020
<b>Total Debt (GAAP)</b>	\$5,396	\$5,748	\$5,787
Cash, cash equivalents and restricted cash	(772)	(828)	(1,019)
<b>Net Debt (Non-GAAP)</b>	<b>\$4,624</b>	<b>\$4,920</b>	<b>\$4,768</b>
Adjusted EBITDA <sup>(1)</sup>	\$969	\$648	\$809
<b>Net Leverage Ratio <sup>(2)</sup></b>	<b>4.8</b>	<b>7.6</b>	<b>5.9</b>

(1) Trailing Twelve Months (TTM) Adjusted EBITDA

(2) Net debt / TTM Adjusted EBITDA

**US.**  
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