



NEWS RELEASE

# US Foods Reports First Quarter Fiscal Year 2022 Earnings

2022-05-12

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 first quarter fiscal year 2022.

## First Quarter Fiscal 2022 Highlights

- Total case volume increased 4.1% versus the same period in fiscal year 2021; independent restaurant case volume increased 9.2% versus the same period in fiscal year 2021
- Net sales increased 23.9% to \$7.8 billion
- Gross profit increased 19.1% to \$1.2 billion
- Net loss available to common shareholders improved to \$16 million
- Adjusted EBITDA increased 40.1% to \$241 million
- Diluted EPS loss was \$0.07; Adjusted Diluted EPS<sup>1</sup> was \$0.36

## Leadership Perspective

“Our results this quarter are a promising affirmation of our progress in implementing our long-range plan to profitably grow market share, further optimize gross margins and improve operational efficiencies,” said Executive Chairman Bob Dutkowsky. “The significant changes we made during the pandemic to bolster our team, enhance our operating model and evolve how we deliver for our customers are enhancing our ability to deliver stronger results and I look forward to working with the leadership team to drive value for our shareholders.”

Interim CEO Andrew Iacobucci added, “Despite continuing challenges impacting our industry, we delivered one of our strongest quarters since the pandemic began. Our entire team is focused on advancing both tested and new

initiatives to further strengthen our business and I am confident we will continue to build on our momentum.”

### **First Quarter Fiscal 2022 Results**

Total case volume increased 4.1% from the prior year driven by a 3% increase in total restaurant volume, a 64% increase in hospitality volume and a 1% increase in healthcare volume. Total restaurant volume growth was driven by a 9.2% increase in independent restaurant case volume and the successful onboarding of profitable chain business acquired over the last year. Net sales were \$7.8 billion for the quarter, an increase of 23.9% from the prior year, driven by higher total case volume and food cost inflation of 17.3% compared to the same quarter a year ago.

Gross profit was \$1.2 billion, an increase of 19.1% from the prior year. Key drivers included an increase in total case volume, optimized pricing and increased freight income from improved inbound logistics. Food cost inflation in multiple product categories also contributed to increased Gross profit. The increase in Gross profit was partially offset by an unfavorable year-over-year LIFO adjustment. Gross profit as a percentage of Net sales was 15.3%. Adjusted Gross profit was \$1.3 billion, a 23.7% increase from the prior year. Adjusted Gross profit as a percentage of Net sales was 16.2%. Adjusted Gross profit per case in the first quarter of 2022 continued at record levels due to the aforementioned factors.

Operating expenses of \$1.2 billion increased \$186 million, or 19.1% from the prior year. Operating expenses increased primarily due to greater volume and higher distribution costs, in part due to higher temporary labor costs and higher than normal wage inflation. These increases were partially offset by cost savings initiatives outlined in the long range plan including: (1) routing improvements that expanded from a pilot to enterprise-wide implementation, (2) continued deployment of new warehouse selection technology that is expected to be completed in the beginning of Q3, and (3) the rollout of new warehouse process enhancements tested in 2021. Operating expenses as a percent of Net sales were 14.9%. Adjusted Operating expenses for the quarter were \$1.0 billion, an increase of \$173 million or 20.1% from the prior year due to the aforementioned factors. Adjusted Operating expenses as a percent of Net sales were 13.2%.

Adjusted EBITDA was \$241 million, an increase of \$69 million or 40.1%, compared to the prior year. Adjusted EBITDA margin was 3.1%, an increase of 40 basis points compared to the prior year and reflecting the operating leverage from Adjusted Gross profit increasing greater than Adjusted Operating expenses. Net loss available to common shareholders was \$16 million, an improvement of \$23 million compared to the prior year. Diluted EPS loss was \$0.07; Adjusted Diluted EPS<sup>1</sup> was \$0.36.

### **Cash Flow and Debt**

Cash flow provided by operating activities in the first quarter of fiscal 2022 was \$158 million, a decrease of \$18

million from the prior year. Cash capital expenditures for the first quarter of fiscal 2022 totaled \$72 million, an increase of \$26 million from the prior year period due to investments in information technology, new construction and expansion of distribution facilities and property and equipment for fleet replacement.

Net Debt at the end of the first quarter of fiscal 2022 was \$4.8 billion. The ratio of Net Debt to Adjusted EBITDA was 4.3x at the end of the first quarter of fiscal 2022, compared to 4.6x at the end of fiscal 2021 and 7.5x at the end of the first quarter of fiscal 2021.

## **Outlook for Fiscal Year 2022 2**

The Company reaffirms the fiscal year 2022 guidance provided on February 17, 2022.

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1 Due to the expected Net loss reported in Q1 FY22 and the Net loss reported in Q1 FY21, the company's share count for its Adjusted Diluted EPS calculation for these quarters does not assume conversion of the outstanding Series A preferred stock, held by KKR, into 24.8 million shares of common stock.

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 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 acquisition 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 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 first quarter fiscal 2022 results on Thursday, May 12, 2022, at 9 a.m. CDT. The call can also be accessed live over the phone by dialing (844) 292-0976; the conference ID number is 8092455. The presentation slides reviewed during the webcast 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 restaurants and foodservice operators to help their businesses succeed. With 69 broadline locations and more than 80 cash and carry stores, US Foods and its 28,000

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](http://www.usfoods.com) to learn more.

### **Forward-Looking Statements**

Statements in this press release which are not historical in nature, including those under the heading “Outlook for Fiscal Years 2022 and 2024,” 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 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; 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; environmental, health and safety and other governmental regulation, including actions taken by national, state and local governments to contain the COVID-19 pandemic, such as travel restrictions or bans, social distancing requirements, and required closures of non-essential businesses; product recalls and product liability claims; our reputation in the industry; indebtedness and restrictions under agreements governing our indebtedness; interest rate increases; changes in the method of determining London Interbank Offered Rate (“LIBOR”) or the replacement of LIBOR with an alternative reference rate; labor relations and increased labor costs and continued access to qualified and diverse labor; risks associated with intellectual property, including potential infringement; disruption of existing technologies and implementation of new technologies; cybersecurity incidents and other technology disruptions; effective integration of acquired businesses; changes in tax laws and regulations and resolution of tax disputes; adverse judgments or settlements resulting from litigation; extreme weather conditions, natural disasters and other catastrophic events, including pandemics and the rapid spread of contagious illnesses; costs and risks associated with current and changing government laws and regulations, and potential changes as a result of initiatives by the Biden administration; management of retirement benefits and pension obligations; 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 1, 2022, which was filed with the Securities and Exchange Commission (“SEC”) on February 17, 2022. 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](http://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 press release speak only as of the date of this press release 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, Adjusted Gross profit, Adjusted Operating expenses, EBITDA, Adjusted EBITDA, Adjusted Net income (loss), Adjusted Diluted EPS, Net Debt and Net Leverage Ratio 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 and Adjusted EBITDA 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 costs 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.

We use Net Debt and Net Leverage Ratio as supplemental measures 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. Net Leverage Ratio represents Net Debt

divided by Trailing Twelve Months Adjusted EBITDA. We believe that Net Debt and Net Leverage Ratio are useful financial metrics 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 (loss) 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 (loss) is Net income (loss) excluding such items as restructuring costs and asset impairment charges, Share-based compensation expense, the non-cash impacts of LIFO reserve adjustments, 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 (loss) 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 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 Net income (loss), Adjusted Diluted EPS, Net Debt and Net Leverage Ratio 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.

Source: US Foods

**US FOODS HOLDING CORP.**  
**Consolidated Balance Sheets**  
(Unaudited)

(\$ in millions)	April 2, 2022	January 1, 2022
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 190	\$ 148
Accounts receivable, less allowances of \$33 and \$33	1,658	1,469
Vendor receivables, less allowances of \$11 and \$7	199	145
Inventories—net	1,826	1,686
Prepaid expenses	148	120
Assets held for sale	8	8
Other current assets	21	18
Total current assets	4,050	3,594
Property and equipment—net	2,022	2,033
Goodwill	5,625	5,625
Other intangibles—net	819	830
Deferred tax assets	9	8
Other assets	435	431
Total assets	\$ 12,960	\$ 12,521
<b>LIABILITIES, MEZZANINE EQUITY AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Cash overdraft liability	\$ 214	\$ 183
Accounts payable	2,077	1,662
Accrued expenses and other current liabilities	635	610
Current portion of long-term debt	103	95
Total current liabilities	3,029	2,550
Long-term debt	4,890	4,916
Deferred tax liabilities	312	307
Other long-term liabilities	473	479
Total liabilities	8,704	8,252
Mezzanine equity:		
Series A convertible preferred stock	534	534
Shareholders' equity:		
Common stock	2	2
Additional paid-in capital	2,973	2,970
Retained earnings	766	782
Accumulated other comprehensive loss	(19)	(19)
Total shareholders' equity	3,722	3,735
Total liabilities, mezzanine equity and shareholders' equity	\$ 12,960	\$ 12,521

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

(\$ in millions, except share and per share data)	13 Weeks Ended	
	April 2, 2022	April 3, 2021
Net sales	\$ 7,798	\$ 6,295
Cost of goods sold	6,603	5,292
Gross profit	1,195	1,003
Operating expenses:		
Distribution, selling and administrative costs	1,161	972
Restructuring costs and asset impairment charges	—	3
Total operating expenses	1,161	975
Operating income	34	28
Other income—net	(6)	(7)
Interest expense—net	55	54
Loss on extinguishment of debt	—	23
Loss before income taxes	(15)	(42)
Income tax benefit	(8)	(18)
Net loss	\$ (7)	\$ (24)
Net loss	\$ (7)	\$ (24)
Series A convertible preferred stock dividends	(9)	(15)
Net loss available to common shareholders	\$ (16)	\$ (39)
Net loss per share		
Basic	\$ (0.07)	\$ (0.18)
Diluted	\$ (0.07)	\$ (0.18)
Weighted-average common shares outstanding		
Basic	222,877,385	220,713,683
Diluted	222,877,385	220,713,683

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

(\$ in millions)	13 Weeks Ended	
	April 2, 2022	April 3, 2021
Cash flows from operating activities:		
Net loss	\$ (7)	\$ (24)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	89	101
Gain on disposal of property and equipment—net	(1)	—
Loss on extinguishment of debt	—	23
Amortization of deferred financing costs	3	3
Deferred tax provision (benefit)	4	(4)
Share-based compensation expense	12	10
Provision (benefit) for doubtful accounts	—	(12)
Changes in operating assets and liabilities:		
Increase in receivables	(243)	(315)
Increase in inventories—net	(140)	(178)
Increase in prepaid expenses and other assets	(37)	(25)
Increase in accounts payable and cash overdraft liability	463	555
Increase in accrued expenses and other liabilities	15	42
Net cash provided by operating activities	158	176
Cash flows from investing activities:		
Proceeds from sales of property and equipment	2	—
Purchases of property and equipment	(72)	(46)
Net cash used in investing activities	(70)	(46)
Cash flows from financing activities:		
Proceeds from debt borrowings	103	900
Principal payments on debt and financing leases	(131)	(926)
Dividends paid on Series A convertible preferred stock	(9)	—
Debt financing costs and fees	—	(18)
Proceeds from employee stock purchase plan	5	5
Proceeds from exercise of stock options	2	4
Tax withholding payments for net share-settled equity awards	(16)	(12)
Net cash used in financing activities	(46)	(47)
Net increase in cash, and cash equivalents and restricted cash	42	83
Cash, cash equivalents and restricted cash—beginning of period	148	829
Cash, cash equivalents and restricted cash—end of period	\$ 190	\$ 912
Supplemental disclosures of cash flow information:		
Interest paid—net of amounts capitalized	\$ 37	\$ 33
Income taxes paid—net	1	—
Property and equipment purchases included in accounts payable	29	23
Property and equipment transferred to assets held for sale	—	9
Leased assets obtained in exchange for financing lease liabilities	7	7
Leased assets obtained in exchange for operating lease liabilities	7	8
Cashless exercise of stock options	1	—
Paid-in-kind Series A convertible preferred stock dividends	—	15

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

(\$ in millions, except share and per share data)	13 Weeks Ended			
	April 2, 2022	April 3, 2021	Change	%
<b>Net loss available to common shareholders (GAAP)</b>	\$ (16)	\$ (39)	\$ 23	(59.0)%
Series A Preferred Stock Dividends	(9)	(15)	6	(40.0)%
<b>Net loss (GAAP)</b>	(7)	(24)	17	(70.8)%
Interest expense—net	55	54	1	1.9%
Income tax benefit	(8)	(18)	10	(55.6)%
Depreciation expense	78	82	(4)	(4.9)%
Amortization expense	11	19	(8)	(42.1)%
<b>EBITDA (Non-GAAP)</b>	129	113	16	14.2%
Adjustments:				
Restructuring costs and asset impairment charges (1)	—	3	(3)	(100.0)%
Share-based compensation expense (2)	12	10	2	20.0%
LIFO reserve adjustment (3)	72	21	51	242.9%
Loss on extinguishment of debt (4)	—	23	(23)	(100.0)%
Business transformation costs (5)	14	9	5	55.6%
COVID-19 bad debt benefit (6)	—	(15)	15	(100.0)%
Business acquisition and integration related costs and other (7)	14	8	6	75.0%
<b>Adjusted EBITDA (Non-GAAP)</b>	241	172	69	40.1%
Depreciation expense	(78)	(82)	4	(4.9)%
Interest expense—net	(55)	(54)	(1)	1.9%
Income tax provision, as adjusted (8)	(28)	(9)	(19)	211.1%
<b>Adjusted Net Income (Non-GAAP)</b>	\$ 80	\$ 27	\$ 53	196.3%
<b>Diluted EPS (GAAP)</b>	\$ (0.07)	\$ (0.18)	\$ 0.11	(61.1)%
Restructuring costs and asset impairment charges (1)	—	0.01	(0.01)	(100.0)%
Share-based compensation expense (2)	0.05	0.05	—	—%
LIFO reserve adjustment (3)	0.32	0.10	0.22	220.0%
Loss on extinguishment of debt (4)	—	0.10	(0.10)	(100.0)%
Business transformation costs (5)	0.06	0.04	0.02	50.0%
COVID-19 bad debt benefit (6)	—	(0.07)	0.07	(100.0)%
Business acquisition and integration related costs and other (7)	0.06	0.04	0.02	50.0%
Income tax provision, as adjusted (8)	(0.06)	0.03	(0.09)	NM
<b>Adjusted Diluted EPS (Non-GAAP) (9)</b>	\$ 0.36	\$ 0.12	\$ 0.24	200.0%
<b>Weighted-average diluted shares outstanding (Non-GAAP) (10)</b>	222,877,385	220,713,683		
<b>Gross profit (GAAP)</b>	\$ 1,195	\$ 1,003	\$ 192	19.1%
LIFO reserve change (3)	72	21	51	242.9%
<b>Adjusted Gross profit (Non-GAAP)</b>	\$ 1,267	\$ 1,024	\$ 243	23.7%
<b>Operating expenses (GAAP)</b>	\$ 1,161	\$ 975	\$ 186	19.1%
Depreciation expense	(78)	(82)	4	(4.9)%

Amortization expense	(11)	(19)	8	(42.1)%
Restructuring costs and asset impairment charges (1)	—	(3)	3	(100.0)%
Share-based compensation expense (2)	(12)	(10)	(2)	20.0%
Business transformation costs (5)	(14)	(9)	(5)	55.6%
COVID-19 bad debt benefit (6)	—	15	(15)	(100.0)%
Business acquisition and integration related costs and other (7)	(14)	(8)	(6)	75.0%
<b>Adjusted Operating expenses (Non-GAAP)</b>	<b>\$ 1,032</b>	<b>\$ 859</b>	<b>\$ 173</b>	<b>20.1%</b>

NM - Not Meaningful

- (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: (i) aggregate acquisition and integration related costs of \$6 million for both the 13 weeks ended April 2, 2022 and April 3, 2021; (ii) contested proxy and related legal and consulting costs of \$7 million for the 13 weeks ended April 2, 2022; 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.
- (8) 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.
- (9) Adjusted Diluted EPS is calculated as Adjusted net income divided by weighted average diluted shares outstanding (Non-GAAP).
- (10) 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.

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

(\$ in millions, except ratios)	April 2, 2022	January 1, 2022	April 3, 2021
<b>Total Debt (GAAP)</b>	\$ 4,993	\$ 5,011	\$ 5,738
Cash, cash equivalents and restricted cash	(190)	(148)	(912)
<b>Net Debt (Non-GAAP)</b>	<b>\$ 4,803</b>	<b>\$ 4,863</b>	<b>\$ 4,826</b>
Adjusted EBITDA (1)	\$ 1,126	\$ 1,057	\$ 643
Net Leverage Ratio (2)	4.3	4.6	7.5

(1) Trailing Twelve Months (TTM) Adjusted EBITDA

(2) Net Debt/TTM Adjusted EBITDA

View source version on **businesswire.com**: <https://www.businesswire.com/news/home/20220511005991/en/>

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