



NEWS RELEASE

US Foods Reports First Quarter Fiscal Year 2024 Earnings

2024-05-09

Grew Net Sales 4.8% to \$8.9 Billion and Gross Profit 4.9% to \$1.5 Billion

Net Income of \$82 Million

Grew Adjusted EBITDA 6% to \$356 Million and Reaffirms Fiscal Year 2024 Guidance

Closed on IWC Food Service Acquisition in April

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 2024.

First Quarter Fiscal 2024 Highlights

- Net sales increased 4.8% to \$8.9 billion
- Total case volume increased 4.2%; independent restaurant case volume increased 4.6%
- Gross profit increased 4.9% to \$1.5 billion
- Net income available to common shareholders was \$82 million
- Adjusted EBITDA increased 5.6% to \$356 million
- Diluted EPS increased 3.1% to \$0.33; Adjusted Diluted EPS increased 8.0% to \$0.54

“Our results for the first quarter were in line with our expectations, demonstrating the strength of our business model and our ability to win in any environment as we overcame both internal and external headwinds to start the year. Our team remains focused on capturing profitable market share with our target customer types and driving

further progress on our strategic initiatives to improve profitability. Our differentiated model and strong value proposition are resonating with our customers which has helped propel us to grow share with independent restaurants for twelve consecutive quarters,” said Dave Flitman, CEO. “We continue to make significant improvements in our operational performance as we achieved a 30% improvement in our safety results and drove nearly 4% improvement in delivery productivity, in line with our goal to increase productivity by 3% to 5% annually.”

“We closed on our previously announced acquisition of IWC Food Service in April and are excited to welcome the team to US Foods. IWC expands our presence in the central Tennessee market and serves the greater Nashville area, one of the fastest growing markets in the country. I also want to thank our 30,000 associates for their incredible resilience, dedication and hard work to help our customers Make It. Looking ahead, we remain intensely focused on executing our strategy and will maintain our disciplined approach to capital deployment to drive long-term shareholder value creation. We look forward to updating you on a new long-range plan at our upcoming investor day on June 5.”

“We executed well in the first quarter despite the challenging start to the year by staying focused on what we can control,” added Dirk Locascio, CFO. “We continue to execute our strategy and focus on driving profitability improvement, accelerating free cash flow generation and maintaining our strong balance sheet. Given our performance for the first quarter and outlook for the full year, we are reaffirming our fiscal year 2024 guidance.”

First Quarter Fiscal 2024 Results

Net sales of \$8.9 billion for the quarter increased 4.8% from the prior year, driven by case volume growth and food cost inflation of 1.5%. Total case volume increased 4.2% from the prior year driven by a 4.6% increase in independent restaurant case volume, a 6.4% increase in healthcare volume, a 0.9% increase in hospitality volume and a 3.7% increase in chain volume.

Gross profit of \$1.5 billion increased by \$70 million, or 4.9% from the prior year, primarily as a result of an increase in organic case volume, improved cost of goods sold, the impact of acquisitions and pricing optimization, partially offset by an unfavorable year-over-year LIFO adjustment. Gross profit as a percentage of net sales was 16.7%. Adjusted Gross profit was \$1.5 billion, an increase of \$95 million or 6.6% from the prior year. Adjusted Gross profit as a percentage of net sales was 17.2% and adjusted Gross profit per case continued at strong levels.

Operating expenses of \$1.3 billion increased by \$92 million, or 7.4% from the prior year, primarily as a result of an increase in organic case volume, higher distribution costs, reflecting increased labor costs, the impact of acquisitions and incremental costs to serve our customers during January labor disruptions, partially offset by continued productivity improvement. Operating expenses as a percentage of net sales were 14.9%. Adjusted Operating expenses were \$1.2 billion, an increase of \$76 million or 6.9% from the prior year. Adjusted Operating

expenses as a percentage of net sales were 13.2%.

Net income available to common shareholders was \$82 million, an increase of \$7 million compared to the prior year, driven by preferred stock dividends paid in the prior year period. Adjusted EBITDA was \$356 million, an increase of \$19 million or 5.6%, compared to the prior year. Adjusted EBITDA margin was 4.0%, an increase of 3 basis points compared to the prior year. Diluted EPS was \$0.33; Adjusted Diluted EPS was \$0.54.

Cash Flow and Debt

Cash flow provided by operating activities for the first three months of fiscal 2024 was \$139 million, a decrease of \$140 million from the prior year due to less working capital benefit than prior year. Cash capital expenditures for the first three months of fiscal 2024 totaled \$87 million, an increase of \$26 million from the prior year period, related to investments in information technology, property and equipment for fleet replacement and maintenance of distribution facilities.

During the first quarter of fiscal 2024, the Company amended its loan agreement on the 2021 Incremental Term Loan Facility to lower the interest rate margins by 50 basis points and eliminate the credit spread adjustment.

Net Debt at the end of the first quarter of fiscal 2024 was \$4.4 billion. The ratio of Net Debt to Adjusted EBITDA was 2.8x at the end of the first quarter of fiscal 2024, compared to 2.8x at the end of fiscal 2023 and 3.2x at the end of the first quarter of fiscal 2023.

During the first quarter of fiscal 2024, the Company repurchased 0.3 million shares of common stock at an aggregate purchase price of \$13 million. The Company has approximately \$179 million in remaining funds authorized under its \$500 million share repurchase program.

M&A Update

Subsequent to quarter-end, the Company closed on its previously announced acquisition of IWC Food Service, a broadline distributor which serves the greater Nashville area, for a purchase price of approximately \$220 million. IWC has approximately 220 associates and approximately \$200 million in annual sales.

Outlook for Fiscal Year 2024 1

The Company is reaffirming its Fiscal Year 2024 guidance provided on February 15, 2024.

- Net Sales of \$37.5 to \$38.5 billion
- Adjusted EBITDA of \$1.69 to \$1.74 billion

- Adjusted Diluted EPS of \$3.00 to \$3.20
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¹The 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 2024 results on Thursday, May 9, 2024, at 8 a.m. CDT. The call can also be accessed live over the phone by dialing (877) 344-2001; the conference ID number is 2528845. 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 restaurants and foodservice operators to help their businesses succeed. With more than 70 broadline locations and approximately 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

Statements in this press release which are not historical in nature, including those under the heading "Outlook for Fiscal Year 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, 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 our Annual Report on Form 10-K for the fiscal year ended December 30, 2023 filed with the Securities and Exchange Commission (“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 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 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 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. 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 costs 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)	March 30, 2024	December 30, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 267	\$ 269
Accounts receivable, less allowances of \$20 and \$18	1,966	1,854
Vendor receivables, less allowances of \$6 and \$5	210	156
Inventories—net	1,620	1,600
Prepaid expenses	152	138
Other current assets	19	14
Total current assets	<u>4,234</u>	<u>4,031</u>
Property and equipment—net	2,303	2,280
Goodwill	5,697	5,697
Other intangibles—net	796	803
Other assets	360	376
Total assets	<u>\$ 13,390</u>	<u>\$ 13,187</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Cash overdraft liability	\$ 198	\$ 220
Accounts payable	2,273	2,051
Accrued expenses and other current liabilities	651	731
Current portion of long-term debt	116	110
Total current liabilities	<u>3,238</u>	<u>3,112</u>
Long-term debt	4,585	4,564
Deferred tax liabilities	300	293
Other long-term liabilities	442	469
Total liabilities	<u>8,565</u>	<u>8,438</u>
Shareholders' equity:		
Common stock	3	3
Additional paid-in capital	3,668	3,663
Retained earnings	1,591	1,509
Accumulated other comprehensive loss	(113)	(115)
Treasury Stock	(324)	(311)
Total shareholders' equity	<u>4,825</u>	<u>4,749</u>
Total liabilities and shareholders' equity	<u>\$ 13,390</u>	<u>\$ 13,187</u>

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

(\$ in millions, except share and per share data)	13 Weeks Ended	
	March 30, 2024	April 1, 2023
Net sales	\$ 8,949	\$ 8,542
Cost of goods sold	7,454	7,117
Gross profit	1,495	1,425
Distribution, selling and administrative costs	1,317	1,238
Restructuring costs and asset impairment charges	13	—
Total operating expenses	1,330	1,238
Operating income	165	187
Other income—net	(1)	(1)
Interest expense—net	79	81
Income before income taxes	87	107
Income tax provision	5	25
Net income	\$ 82	\$ 82
Net income	\$ 82	\$ 82
Series A convertible preferred stock dividends	—	(7)
Net income available to common shareholders	\$ 82	\$ 75
Net income per share		
Basic	\$ 0.33	\$ 0.33
Diluted	\$ 0.33	\$ 0.32
Weighted-average common shares outstanding		
Basic	245,062,815	226,253,643
Diluted	248,474,916	251,787,693

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

(\$ in millions)	13 Weeks Ended	
	March 30, 2024	April 1, 2023
Cash flows from operating activities:		
Net income	\$ 82	\$ 82
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	105	98
Gain on disposal of property and equipment—net	—	(1)
Amortization of deferred financing costs	3	7
Deferred tax provision	5	5
Share-based compensation expense	15	14
Provision for doubtful accounts	7	10
Changes in operating assets and liabilities:		
Increase in receivables	(173)	(197)
Increase in inventories—net	(20)	(9)
(Increase) decrease in prepaid expenses and other assets	(1)	2
Increase in accounts payable and cash overdraft liability	221	321
Decrease in accrued expenses and other liabilities	(105)	(53)
Net cash provided by operating activities	139	279
Cash flows from investing activities:		
Proceeds from sales of property and equipment	1	1
Purchases of property and equipment	(87)	(61)
Net cash used in investing activities	(86)	(60)
Cash flows from financing activities:		
Principal payments on debt and financing leases	(457)	(111)
Principal payments on debt repricing	(14)	—
Proceeds from debt repricing	14	—
Proceeds from debt borrowings	426	13
Dividends paid on Series A convertible preferred stock	—	(7)
Repurchase of common stock	(13)	(34)
Debt financing costs and fees	(1)	—
Proceeds from employee stock purchase plan	5	5
Proceeds from exercise of stock options	5	7
Tax withholding payments for net share-settled equity awards	(20)	(11)
Net cash used in financing activities	(55)	(138)
Net (decrease) increase in cash, and cash equivalents and restricted cash	(2)	81
Cash, cash equivalents and restricted cash—beginning of period	269	211
Cash, cash equivalents and restricted cash—end of period	\$ 267	\$ 292
Supplemental disclosures of cash flow information:		
Conversion of Series A Convertible Preferred Stock	\$ —	\$ 162
Interest paid—net of amounts capitalized	93	61
Income taxes paid—net	5	3
Property and equipment purchases included in accounts payable	20	17
Leased assets obtained in exchange for financing lease liabilities	56	47
Leased assets obtained in exchange for operating lease liabilities	7	9

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

(\$ in millions, except share and per share data)	13 Weeks Ended					
	March 30, 2024		April 1, 2023		Change	%
Net income available to common shareholders and net income margin (GAAP)	\$ 82	0.9%	\$ 75	0.9%	\$ 7	9.3%
Series A Preferred Stock Dividends	—		(7)		7	(100.0)%
Net income (GAAP)	82		82		—	—%
Interest expense—net	79		81		(2)	(2.5)%
Income tax provision	5		25		(20)	(80.0)%
Depreciation expense	93		87		6	6.9%
Amortization expense	12		11		1	9.1%
EBITDA and EBITDA margin (Non-GAAP)	271	3.0%	286	3.3%	(15)	(5.2)%
Adjustments:						
Restructuring costs and asset impairment charges (1)	13		—		13	NM
Share-based compensation expense (2)	15		14		1	7.1%
LIFO reserve adjustment (3)	45		20		25	125.0%
Business transformation costs (4)	9		4		5	125.0%
Business acquisition and integration related costs and other (5)	3		13		(10)	(76.9)%
Adjusted EBITDA and Adjusted EBITDA margin (Non-GAAP)	356	4.0%	337	3.9%	19	5.6%
Depreciation expense	(93)		(87)		(6)	6.9%
Interest expense—net	(79)		(81)		2	(2.5)%
Income tax provision, as adjusted (6)	(50)		(44)		(6)	13.6%
Adjusted Net Income (Non-GAAP)	\$ 134		\$ 125		\$ 9	7.2%
Diluted EPS (GAAP)	\$ 0.33		\$ 0.32		\$ 0.01	3.1%
Restructuring costs and asset impairment charges (1)	0.05		—		0.05	NM
Share-based compensation expense (2)	0.06		0.06		—	—%
LIFO reserve adjustment (3)	0.18		0.08		0.10	125.0%
Business transformation costs (4)	0.04		0.02		0.02	100.0%
Business acquisition and integration related costs and other (5)	0.01		0.05		(0.04)	(80.0)%
Income tax provision, as adjusted (6)	(0.13)		(0.03)		(0.10)	NM
Adjusted Diluted EPS (Non-GAAP) (7)	\$ 0.54		\$ 0.50		\$ 0.04	8.0%
Weighted-average diluted shares outstanding (Non-GAAP) (8)	248,474,916		251,787,693			
Gross profit (GAAP)	\$ 1,495		\$ 1,425		\$ 70	4.9%
LIFO reserve adjustment (3)	45		20		25	125.0%
Adjusted Gross profit (Non-GAAP)	\$ 1,540		\$ 1,445		\$ 95	6.6%
Operating expenses (GAAP)	\$ 1,330		\$ 1,238		\$ 92	7.4%
Depreciation expense	(93)		(87)		(6)	6.9%
Amortization expense	(12)		(11)		(1)	9.1%
Restructuring costs and asset impairment charges (1)	(13)		—		(13)	NM
Share-based compensation expense (2)	(15)		(14)		(1)	7.1%
Business transformation costs (4)	(9)		(4)		(5)	125.0%

Business acquisition and integration related costs and other (5)	(3)	(13)	10	(76.9)%
Adjusted Operating expenses (Non-GAAP)	<u>\$ 1,185</u>	<u>\$ 1,109</u>	<u>\$ 76</u>	<u>6.9%</u>

NM - Not Meaningful

(1) Consists primarily of non-CEO severance and related costs associated with organizational realignment 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) Transformation 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 construction or technology. For the 13 weeks ended March 30, 2024, business transformation costs related to projects associated with information technology and workforce efficiency initiatives. For the 13 weeks ended April 1, 2023, business transformation costs related to projects associated with several supply chain strategy initiatives.

(5) Includes: (i) aggregate acquisition and integration related costs of \$3 million and \$4 million for the 13 weeks ended March 30, 2024 and April 1, 2023, respectively; and (ii) CEO sign on bonus of \$3 million for 13 weeks the ended April 1, 2023 (iii) 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 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)	March 30, 2024	December 30, 2023	April 1, 2023
Total Debt (GAAP)	\$ 4,701	\$ 4,674	\$ 4,810
Cash, cash equivalents and restricted cash	(267)	(269)	(292)
Net Debt (Non-GAAP)	<u>\$ 4,434</u>	<u>\$ 4,405</u>	<u>\$ 4,518</u>
Adjusted EBITDA (1)	<u>\$ 1,578</u>	<u>\$ 1,559</u>	<u>\$ 1,406</u>
Net Leverage Ratio (2)	<u>2.8</u>	<u>2.8</u>	<u>3.2</u>

(1) Trailing Twelve Months (TTM) Adjusted EBITDA

(2) Net Debt/TTM Adjusted EBITDA

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