



NEWS RELEASE

US Foods Reports Third Quarter Fiscal Year 2025 Earnings

2025-11-06

Grew Net Sales 4.8% to \$10.2 Billion, Net Income 3.4% to \$153 Million and Diluted EPS 9.8% to \$0.67

Grew Adjusted EBITDA 11.0% to \$505 Million and Adjusted Diluted EPS 25.9% to \$1.07

Repurchased ~\$335 Million of Shares & Signed Definitive Agreement to Acquire Shetakis

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 third quarter of fiscal year 2025.

Third Quarter Fiscal 2025 Highlights

- Total case volume increased 1.1%; independent restaurant case volume increased 3.9%
- Net sales increased 4.8% to \$10.2 billion
- Gross profit increased 5.2% to \$1.8 billion
- Net income increased 3.4% to \$153 million
- Adjusted EBITDA 1 increased 11.0% to \$505 million
- Diluted EPS increased 9.8% to \$0.67; Adjusted Diluted EPS 1 increased 25.9% to \$1.07

1This earnings release includes several metrics, including Adjusted EBITDA and Adjusted Diluted EPS, 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.

"Our third quarter performance reflects our team's ability to consistently deliver earnings growth through share gains and margin expansion," said Dave Flitman, CEO. "We generated double-digit Adjusted Diluted EPS growth during the quarter, fueled by continued growth across our three target customer types and further progress on our self-help initiatives. We're focused on delivering long-term shareholder value and disciplined capital allocation – investing for growth while executing share repurchases and targeted tuck-in M&A. I thank our associates for their commitment to our customers' success and serving them with excellence."

"We delivered a combination of top-line growth and 28 basis points of Adjusted EBITDA margin expansion again this quarter, resulting in 11% Adjusted EBITDA growth," said Dirk Locascio, CFO. "We are deploying our strong cash flow to invest in the business, execute share repurchases and pursue opportunistic tuck-in M&A which will enable us to deliver on our commitment to generating long-term profitable growth and creating shareholder value."

Third Quarter Fiscal Year 2025 Results

Total case volume increased 1.1% from the prior year driven by a 3.9% increase in independent restaurant case volume, a 3.9% increase in healthcare volume and a 2.4% increase in hospitality volume, partially offset by a 2.4% decrease in chain volume. Total organic case volume increased 0.8%, which includes 3.5% organic independent restaurant case volume growth. Net sales of \$10.2 billion for the quarter increased 4.8% from the prior year, driven by case volume growth and food cost inflation of 3.0%.

Gross profit of \$1.8 billion increased by \$86 million, or 5.2%, from the prior year, primarily as a result of an increase in total case volume, improved cost of goods sold and inventory management, partially offset by an unfavorable year-over-year LIFO adjustment. Gross profit as a percentage of net sales was 17.2%. Adjusted Gross profit was \$1.8 billion, an increase of \$109 million, or 6.4% from the prior year. Adjusted Gross profit as a percentage of net sales was 17.7%.

Operating expenses of \$1.5 billion increased by \$83 million, or 6.0%, 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 continued distribution productivity improvement as well as actions to streamline administrative processes and costs.

Operating expenses as a percentage of net sales were 14.4%. Adjusted Operating expenses were \$1.3 billion, an increase of \$62 million, or 5.0% from the prior year. Adjusted Operating expenses as a percentage of net sales were 12.7%.

Net income of \$153 million, increased by \$5 million, or 3.4%, from the prior year. Net income margin was 1.5%, a decrease of 2 basis points compared to the prior year. Adjusted EBITDA of \$505 million, increased by \$50 million, or 11.0%, from the prior year. Adjusted EBITDA margin was 5.0%, an increase of 28 basis points compared to the prior year. Diluted EPS was \$0.67; Adjusted Diluted EPS was \$1.07.

Cash Flow and Debt

Cash flow provided by operating activities for the first nine months of fiscal year 2025 was \$1,076 million, an increase of \$185 million from the prior year driven by higher net income and a reduction in tax payments. Cash capital expenditures for the first nine months of fiscal year 2025 totaled \$276 million, an increase of \$40 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 third quarter fiscal year 2025 was \$4.9 billion. The ratio of Net Debt to Adjusted EBITDA was 2.6x at the end of the third quarter of fiscal year 2025, compared to 2.8x at the end of fiscal year 2024.

During the third quarter of fiscal year 2025, the Company repurchased 4.1 million shares of common stock for approximately \$335 million. The Company had approximately \$467 million in remaining funds authorized under its current \$1 billion share repurchase program.

M&A Update

Subsequent to quarter-end, the Company has signed a definitive agreement to acquire Shetakis, an independent food distributor located in Las Vegas, Nevada. The Company is targeting to close the transaction in the fourth quarter of 2025.

Outlook for Fiscal Year 2025

The Company is updating its Fiscal Year 2025 guidance of:

- Net Sales growth of 4% to 5%, compared to previous guidance of 4% to 6%
- Adjusted EBITDA growth of 10% to 12%, compared to previous guidance of 9.5% to 12%
- Adjusted Diluted EPS growth of 24% to 26%, compared to previous guidance of 19.5% to 23%

²The 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 third quarter of fiscal year 2025 results on Thursday, November 6, 2025, at 8 a.m. CST. 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 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

Statements in this press release which are not historical in nature, including those under the heading "Outlook for Fiscal Year 2025," 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; the timing and scope of future repurchases by US Foods of its common stock; and management of retirement benefits and pension obligations.

For a detailed discussion of these risks, uncertainties and other factors that could cause our actual results to differ materially from those anticipated or expressed in any forward-looking statements, see the section entitled "Risk Factors" in US Foods' Annual Report on Form 10-K for the fiscal year ended December 28, 2024 filed with the Securities and Exchange Commission ("SEC") on February 13, 2025. 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 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)	September 27, 2025	December 28, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 56	\$ 59
Accounts receivable, less allowances of \$34 and \$24	2,192	1,957
Vendor receivables, less allowances of \$8 and \$7	242	167
Inventories—net	1,695	1,626
Prepaid expenses	153	146
Other current assets and assets held for sale	27	19
Total current assets	<u>4,365</u>	<u>3,974</u>
Property and equipment—net	2,626	2,398
Goodwill	5,767	5,766
Other intangibles—net	787	836
Other assets and noncurrent assets held for sale	499	462
Total assets	<u><u>\$ 14,044</u></u>	<u><u>\$ 13,436</u></u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Cash overdraft liability	\$ 165	\$ 216
Accounts payable	2,699	2,231
Accrued expenses, other current liabilities and liabilities held for sale	823	740
Current portion of long-term debt	120	109
Total current liabilities	<u>3,807</u>	<u>3,296</u>
Long-term debt	4,832	4,819
Deferred tax liabilities	385	335
Other long-term liabilities and noncurrent liabilities held for sale	549	458
Total liabilities	<u>9,573</u>	<u>8,908</u>
Shareholders' equity:		
Common stock	3	3
Additional paid-in capital	3,804	3,748
Retained earnings	2,495	2,003
Accumulated other comprehensive income	43	43
Treasury Stock	(1,874)	(1,269)
Total shareholders' equity	<u>4,471</u>	<u>4,528</u>
Total liabilities and shareholders' equity	<u><u>\$ 14,044</u></u>	<u><u>\$ 13,436</u></u>

US FOODS HOLDING CORP.
Consolidated Statements of Operations

(Unaudited)

(in millions, except per share data)	For the 13 weeks ended		For the 39 weeks ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
	\$	\$	\$	\$
Net sales	\$ 10,191	\$ 9,728	\$ 29,624	\$ 28,386
Cost of goods sold	8,438	8,061	24,480	23,518
Gross profit	1,753	1,667	5,144	4,868
Distribution, selling and administrative costs	1,458	1,379	4,246	4,050
Restructuring activity and asset impairment charges	13	9	20	21
Total operating expenses	1,471	1,388	4,266	4,071
Operating income	282	279	878	797
Other expense (income)—net	—	3	(3)	5
Interest expense—net	76	75	227	235
Income before income taxes	206	201	654	557
Income tax provision	53	53	162	129
Net income	<hr/> <hr/> \$ 153	<hr/> <hr/> \$ 148	<hr/> <hr/> \$ 492	<hr/> <hr/> \$ 428
Net income per share				
Basic	<hr/> <hr/> \$ 0.68	<hr/> <hr/> \$ 0.61	<hr/> <hr/> \$ 2.15	<hr/> <hr/> \$ 1.75
Diluted	<hr/> <hr/> \$ 0.67	<hr/> <hr/> \$ 0.61	<hr/> <hr/> \$ 2.12	<hr/> <hr/> \$ 1.74
Weighted-average common shares outstanding				
Basic	225.5	241.0	228.8	243.9
Diluted	228.4	243.9	231.8	246.9

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

(\$ in millions)	For the 39 weeks ended		
	September 27, 2025		September 28, 2024
	2025	2024	
Cash flows from operating activities:			
Net income	\$ 492	\$ 428	
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	345	327	
Deferred tax provision (benefit)	46	(33)	
Share-based compensation expense	64	46	
Provision for doubtful accounts	27	21	
Other non-cash activities	18	7	
Changes in operating assets and liabilities:			
Increase in receivables	(329)	(282)	
Increase in inventories	(56)	(6)	
(Accrease) decrease in prepaid expenses and other assets	(9)	52	
Increase in accounts payable and cash overdraft liability	407	316	
Increase in accrued expenses and other liabilities	71	15	
Net cash provided by operating activities	1,076	891	
Cash flows from investing activities:			
Proceeds from sales of property and equipment	6	3	
Proceeds from divestitures	38	—	
Purchases of property and equipment	(276)	(236)	
Cash paid for acquisitions	(87)	(214)	
Net cash used in investing activities	(319)	(447)	
Cash flows from financing activities:			
Principal payments on debt and financing leases	(7,165)	(2,470)	
Principal payments on debt repricing	—	(14)	
Proceeds from debt repricing	—	14	
Proceeds from debt borrowings	7,015	2,454	
Repurchase of common stock	(602)	(628)	
Debt financing costs and fees	—	(1)	
Proceeds from employee stock purchase plan	22	19	
Proceeds from exercise of stock options	6	14	
Purchase of interest rate caps	(1)	—	
Tax withholding payments for net share-settled equity awards	(35)	(20)	
Net cash used in financing activities	(760)	(632)	
Net decrease in cash, cash equivalents and restricted cash	(3)	(188)	
Cash, cash equivalents and restricted cash—beginning of period	59	269	
Cash, cash equivalents and restricted cash—end of period	\$ 56	\$ 81	
Supplemental disclosures of cash flow information:			
Interest paid—net of amounts capitalized	\$ 240	\$ 233	
Income taxes paid—net	86	139	
Property and equipment purchases included in accounts payable	62	23	
Leased assets obtained in exchange for financing lease liabilities	172	126	
Leased assets obtained in exchange for operating lease liabilities	88	32	

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

(in millions, except per share data)	For the 13 weeks ended					
	September 27, 2025	September 28, 2024	Change	%	September 27, 2025	September 28, 2024
Net income and Net income margin (GAAP)	\$ 153	1.5%	\$ 148	1.5%	\$ 5	3.4%
Interest expense—net	76		75		1	1.3%
Income tax provision	53		53		—	—%
Depreciation expense	103		99		4	4.0%
Amortization expense	15		15		—	—%
EBITDA and EBITDA margin (Non-GAAP)	400	3.9%	390	4.0%	10	2.6%
Adjustments:						
Restructuring activity and asset impairment charges(1)	13		10		3	30.0%
Share-based compensation expense(2)	19		16		3	18.8%
LIFO reserve adjustment (3)	46		23		23	100.0%
Business transformation costs(4)	18		10		8	80.0%
Business acquisition, integration related costs, divestitures and other(5)	9		6		3	50.0%
Adjusted EBITDA and Adjusted EBITDA margin (Non-GAAP)	505	5.0%	455	4.7%	50	11.0%
Depreciation expense	(103)		(99)		(4)	4.0%
Interest expense—net	(76)		(75)		(1)	1.3%
Income tax provision, as adjusted(6)	(81)		(73)		(8)	11.0%
Adjusted Net income (Non-GAAP)	<u><u>\$ 245</u></u>		<u><u>\$ 208</u></u>		<u><u>\$ 37</u></u>	<u><u>17.8%</u></u>
Diluted EPS (GAAP)	\$ 0.67		\$ 0.61		\$ 0.06	9.8%
Restructuring activity and asset impairment charges(1)	0.06		0.04		0.02	50.0%
Share-based compensation expense(2)	0.08		0.07		0.01	14.3%
LIFO reserve adjustment(3)	0.20		0.09		0.11	122.2%
Business transformation costs(4)	0.08		0.04		0.04	100.0%
Business acquisition, integration related costs, divestitures and other(5)	0.04		0.02		0.02	100.0%
Income tax provision, as adjusted(6)	(0.06)		(0.02)		(0.04)	200.0%
Adjusted Diluted EPS (Non-GAAP)(7)	<u><u>\$ 1.07</u></u>		<u><u>\$ 0.85</u></u>		<u><u>\$ 0.22</u></u>	<u><u>25.9%</u></u>
Weighted-average diluted shares outstanding	228.4		243.9			
Gross profit (GAAP)	\$ 1,753		\$ 1,667		\$ 86	5.2%
LIFO reserve adjustment(3)	46		23		23	100.0%
Adjusted Gross profit (Non-GAAP)	<u><u>\$ 1,799</u></u>		<u><u>\$ 1,690</u></u>		<u><u>\$ 109</u></u>	<u><u>6.4%</u></u>
Operating expenses (GAAP)	\$ 1,471		\$ 1,388		\$ 83	6.0%
Depreciation expense	(103)		(99)		(4)	4.0%
Amortization expense	(15)		(15)		—	—%
Restructuring activity and asset impairment charges(1)	(13)		(10)		(3)	30.0%
Share-based compensation expense(2)	(19)		(16)		(3)	18.8%
Business transformation costs(4)	(18)		(10)		(8)	80.0%
Business acquisition, integration related costs,						

divestitures and other(5)	(9)	(6)	(3)	50.0%
Adjusted Operating expenses (Non-GAAP)	\$ 1,294	\$ 1,232	\$ 62	5.0%

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 September 27, 2025 and September 28, 2024, 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 \$6 million and \$6 million for the 13 weeks ended September 27, 2025 and September 28, 2024, respectively, and (ii) other gains, losses or costs that we are permitted to addback for purposes of calculating Adjusted EBITDA under certain agreements governing our indebtedness.
- (6)Represents our income tax provision adjusted for the tax effect of pre-tax items excluded from Adjusted Net income and the removal of applicable discrete tax items. Applicable discrete tax items include changes in tax laws or rates, changes related to prior year unrecognized tax benefits, discrete changes in valuation allowances, and excess tax benefits associated with share-based compensation. The tax effect of pre-tax items excluded from Adjusted Net income is computed using a statutory tax rate after taking into account the impact of permanent differences and valuation allowances.
- (7)Adjusted Diluted EPS is calculated as Adjusted Net income divided by weighted average diluted shares outstanding.

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

(in millions, except per share data)	For the 39 weeks ended					
	September 27, 2025	September 28, 2024	Change	%		
Net income and Net income margin (GAAP)	\$ 492	1.7%	\$ 428	1.5%	\$ 64	15.0%
Interest expense—net	227		235		(8)	(3.4)%
Income tax provision	162		129		33	25.6%
Depreciation expense	303		288		15	5.2%
Amortization expense	42		39		3	7.7%
EBITDA and EBITDA margin (Non-GAAP)	<u>1,226</u>	4.1%	<u>1,119</u>	3.9%	<u>107</u>	9.6%
Adjustments:						
Restructuring activity and asset impairment charges(1)	20		22		(2)	(9.1)%
Share-based compensation expense(2)	64		46		18	39.1%
LIFO reserve adjustment (3)	65		68		(3)	(4.4)%
Business transformation costs(4)	38		28		10	35.7%
Business acquisition, integration related costs, divestitures and other(5)	29		17		12	70.6%
Adjusted EBITDA and Adjusted EBITDA margin (Non-GAAP)	<u>1,442</u>	4.9%	<u>1,300</u>	4.6%	<u>142</u>	10.9%
Depreciation expense	(303)		(288)		(15)	5.2%
Interest expense—net	(227)		(235)		8	(3.4)%
Income tax provision, as adjusted(6)	(231)		(204)		(27)	13.2%
Adjusted Net income (Non-GAAP)	<u>\$ 681</u>		<u>\$ 573</u>		<u>\$ 108</u>	18.8%
Diluted EPS (GAAP)	<u>\$ 2.12</u>		<u>\$ 1.74</u>		<u>\$ 0.38</u>	21.8%
Restructuring activity and asset impairment charges(1)	0.09		0.09		—	—%
Share-based compensation expense(2)	0.28		0.19		0.09	47.4%
LIFO reserve adjustment (3)	0.28		0.28		—	—%
Business transformation costs(4)	0.16		0.11		0.05	45.5%
Business acquisition, integration related costs, divestitures and other(5)	0.13		0.07		0.06	85.7%
Income tax provision, as adjusted(6)	(0.12)		(0.16)		0.04	(25.0)%
Adjusted Diluted EPS (Non-GAAP)(7)	<u>\$ 2.94</u>		<u>\$ 2.32</u>		<u>\$ 0.62</u>	26.7%
Weighted-average diluted shares outstanding	231.8		246.9			
Gross profit (GAAP)	\$ 5,144		\$ 4,868		\$ 276	5.7%
LIFO reserve adjustment(3)	65		68		(3)	(4.4)%
Adjusted Gross profit (Non-GAAP)	<u>\$ 5,209</u>		<u>\$ 4,936</u>		<u>\$ 273</u>	5.5%
Operating expenses (GAAP)	\$ 4,266		\$ 4,071		\$ 195	4.8%
Depreciation expense	(303)		(288)		(15)	5.2%
Amortization expense	(42)		(39)		(3)	7.7%
Restructuring activity and asset impairment charges(1)	(20)		(22)		2	(9.1)%
Share-based compensation expense (2)	(64)		(46)		(18)	39.1%
Business transformation costs(4)	(38)		(28)		(10)	35.7%
Business acquisition, integration related costs,						

divestitures and other(5)	(29)	(17)	(12)	70.6%
Adjusted Operating expenses (Non-GAAP)	\$ 3,770	\$ 3,631	\$ 139	3.8%

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 39 weeks ended September 27, 2025 and September 28, 2024, 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 \$24 million and \$17 million for the 39 weeks ended September 27, 2025 and September 28, 2024, 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.

(in millions, except ratios)	US FOODS HOLDING CORP.		
	Non-GAAP Reconciliation		
	Net Debt and Net Leverage Ratios		
	September 27, 2025	December 28, 2024	September 28, 2024
Total Debt (GAAP)	\$4,952	\$4,928	\$4,789
Cash, cash equivalents and restricted cash	(56)	(59)	(81)
Net Debt (Non-GAAP)	\$4,896	\$4,869	\$4,708
Adjusted EBITDA(1)	\$1,883	\$1,741	\$1,688
Net Leverage Ratio (2)	2.6	2.8	2.8

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

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