



NEWS RELEASE

US Foods Update Related to COVID-19

2020-03-23

ROSEMONT, Ill.--(BUSINESS WIRE)-- US Foods Holding Corp. (NYSE: USFD), a leading foodservice distributor, today announced updates on the impact of novel coronavirus (COVID-19) on the foodservice industry and its business.

"As the COVID-19 situation continues to evolve, our priority is the health and safety of our associates, customers and communities," said Pietro Satriano, Chairman and CEO. "While the full business impact of COVID-19 is not yet known, we are taking immediate action to reduce our costs to match the slowdown we're seeing in restaurant, hospitality and education case volume. We are also leveraging our supply chain resources to support the retail industry as they experience unprecedented increases in consumer demand. Finally, I would like to thank our associates for their outstanding efforts in continuing to serve our customers during this difficult time."

The company believes its strong balance sheet will enable it to weather the economic impact of COVID-19 and has proactively drawn \$1 billion under its existing revolving credit facilities to retain as cash on hand. The company has no debt maturing until fiscal 2022 and is actively working to explore additional financing opportunities if needed.

US Foods has also secured new opportunities to support and sell to retail outlets like grocery stores and to contract some of its distribution workforce to companies experiencing increased demand. These actions are expected to partially mitigate the declines currently seen in sales to restaurants, hospitality and education customers.

Furthermore, the company is taking aggressive steps to reduce operating costs and strengthen its liquidity position by preserving cash, including:

- Actively managing all areas of working capital
- Eliminating all non-critical capital spend
- Temporary furloughs to match changes in demand

- Freezing hiring, deferring corporate wage increases and reducing executive and board compensation

The company is a long-time supplier to the healthcare industry and armed forces and continues to support these customers as they work to serve our communities in this difficult time. US Foods is also supportive of efforts to provide relief for the restaurant industry and is helping its restaurant and hospitality customers adapt to the current situation with tools and resources to build and manage carryout and delivery capabilities.

In light of the rapidly evolving impact of COVID-19 on the economy and foodservice and restaurant industries, US Foods is withdrawing its fiscal 2020 guidance.

For more information about what US Foods is doing related to COVID-19, please visit <https://www.usfoods.com/about-us-foods/coronavirus-covid-19-updates.html>.

About US Foods

US Foods is one of America's great food companies and a leading foodservice distributor, partnering with approximately 300,000 restaurants and foodservice operators to help their businesses succeed. With 28,000 associates and more than 70 locations, US Foods 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., and generates more than \$28 billion in annual revenue. Visit [usfoods.com](https://www.usfoods.com) to learn more.

Forward-Looking Statements

Statements in this press release which are not historical in nature 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 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 factors that could cause our actual results to differ materially from those expressed in the forward-looking statements, including, among others: cost inflation/deflation and commodity volatility; competition; reliance on third party suppliers; 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; effective integration of acquisitions; achievement of expected benefits from cost savings initiatives; fluctuations in fuel costs; economic factors affecting consumer confidence and discretionary spending; changes in consumer eating habits; our reputation in the industry; labor relations and costs; access to qualified and diverse labor; cost and pricing structures; changes in tax laws and

regulations and resolution of tax disputes; governmental regulation; product recalls and product liability claims; adverse judgments or settlements resulting from litigation; disruptions of existing technologies and implementation of new technologies; cybersecurity incidents and other technology disruptions; management of retirement benefits and pension obligations; extreme weather conditions, natural disasters and other catastrophic events, including pandemics and the rapid spread of contagious illnesses; risks associated with intellectual property, including potential infringement; indebtedness and restrictions under agreements governing indebtedness; and potential interest rate increases.

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 Dec. 28, 2019, which was filed with the Securities and Exchange Commission on Feb. 13, 2020. The forward-looking statements contained in this press release speak only as of the date of this press release. We undertake no obligation to update or revise any forward-looking statements.

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