



NEWS RELEASE

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Performance Food Group Company Presents at CAGNY Conference; Reaffirms Fiscal 2019 Outlook

RICHMOND, Va. — Performance Food Group Company (“PFG”) (NYSE: PFGC) Chairman, President & Chief Executive Officer George Holm, Executive Vice President & Chief Financial Officer Jim Hope, and Vice President of Investor Relations Michael Neese addressed investors today at the 2019 Consumer Analyst Group of New York (“CAGNY”) Conference in Boca Raton, Fla.

PFG reaffirmed its Fiscal 2019 outlook for Adjusted EBITDA growth to be in a range of 7% to 10% over its fiscal 2018 Adjusted EBITDA of \$426.7¹ million. The Company continues to expect that the 7% to 10% Adjusted EBITDA growth for fiscal 2019 will reflect second half Adjusted EBITDA growth to be in the high single- to low double-digit range.

PFG also reaffirmed its fiscal 2019 Adjusted Diluted EPS to grow in a range of 10% to 16% over its fiscal 2018 Adjusted Diluted EPS of \$1.54¹.

PFG’s Adjusted EBITDA and Adjusted Diluted EPS outlook exclude the impact of certain income and expense items that management believes are not part of underlying operations. These items may include, but are not limited to, loss on early extinguishment of debt, restructuring charges, certain tax items, and charges associated with non-recurring professional and legal fees associated with acquisitions. PFG’s management cannot estimate on a forward-looking basis the impact of these income and expense items on its reported Net income and its reported Diluted EPS, which could be significant, are difficult to predict and may be highly variable. As a result, PFG does not provide a reconciliation to the closest corresponding GAAP financial measure for its Adjusted EBITDA and Adjusted Diluted EPS outlook. Please see the “Forward-Looking Statements” section of this release for a discussion of certain risks to PFG’s outlook.

About Performance Food Group Company

Built on the many proud histories of our family of companies, Performance Food Group is a customer-centric foodservice distribution leader headquartered in Richmond, Virginia. Grounded by roots that date back to a grocery peddler in 1885, PFG today has a nationwide network of approximately 75 distribution centers, 15,000-plus talented associates and more than 5,000 valued suppliers across the country. With the goal of helping our customers thrive, we market and deliver quality food and related products to over 150,000 locations including independent and chain restaurants, schools, business and industry locations, healthcare facilities, vending distributors, office coffee service distributors, big box retailers and theaters. Building strong relationships is core to PFG’s success – from connecting associates with great career opportunities to connecting valued suppliers and quality products with PFG’s broad and diverse customer base. To learn more about PFG and our divisions, Performance Foodservice, PFG Customized and Vistar, visit pfgc.com.

¹ This press release includes Adjusted EBITDA and Adjusted Diluted Earnings per Share (“EPS”) that are not calculated in accordance with Generally Accepted Accounting Principles in the U.S. (“GAAP”). Please see Statement Regarding Non-GAAP Financial Measures at the end of this release for the definitions of such non-GAAP financial measures and reconciliations of such non-GAAP financial measures to their respective most comparable financial measures calculated in accordance with GAAP.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements include, but are not limited to, statements related to our expectations regarding the performance of our business, our financial results, our liquidity and capital resources and other non-historical statements. You can identify these forward-looking statements by the use of words such as “outlook,” “believes,” “expects,” “potential,” “continues,” “may,” “will,” “should,” “could,” “seeks,” “projects,” “predicts,” “intends,” “plans,” “estimates,” “anticipates” or the negative version of these words or other comparable words.

Such forward-looking statements are subject to various risks and uncertainties. The following factors, in addition to those discussed under the section entitled Item 1A Risk Factors in PFG’s Annual Report on Form 10-K for the fiscal year ended June 30, 2018 filed with the Securities and Exchange Commission (the “SEC”) on August 16, 2018 as such factors may be updated from time to time in our periodic filings with the SEC, which are accessible on the SEC’s website at www.sec.gov, could cause actual future results to differ materially from those expressed in any forward-looking statements:

- competition in our industry is intense, and we may not be able to compete successfully;*
- we operate in a low margin industry, which could increase the volatility of our results of operations;*
- we may not realize anticipated benefits from our operating cost reduction and productivity improvement efforts;*
- our profitability is directly affected by cost inflation or deflation and other factors;*
- we do not have long-term contracts with certain of our customers;*
- group purchasing organizations may become more active in our industry and increase their efforts to add our customers as members of these organizations;*
- changes in eating habits of consumers;*
- extreme weather conditions;*
- our reliance on third-party suppliers;*
- labor relations and costs risks and availability of qualified labor;*
- volatility of fuel and other transportation costs;*
- inability to adjust cost structure where one or more of our competitors successfully implement lower costs;*
- we may be unable to increase our sales in the highest margin portions of our business;*
- changes in pricing practices of our suppliers;*
- our growth strategy may not achieve the anticipated results;*
- risks relating to any future acquisitions;*
- environmental, health, and safety costs;*
- the risk that we fail to comply with requirements imposed by applicable law or government regulations;*
- our reliance on technology and risks associated with disruption or delay in implementation of new technology;*
- costs and risks associated with a potential cybersecurity incident or other technology disruption;*
- product liability claims relating to the products we distribute and other litigation;*
- adverse judgments or settlements;*
- negative media exposure and other events that damage our reputation;*
- anticipated multiemployer pension related liabilities and contributions to our multiemployer pension plan;*
- decrease in earnings from amortization charges associated with future acquisitions;*
- impact of uncollectibility of accounts receivable;*
- difficult economic conditions affecting consumer confidence;*
- departure of key members of senior management;*

- risks relating to federal, state, and local tax rules;
- the cost and adequacy of insurance coverage;
- risks relating to our outstanding indebtedness; and
- our ability to maintain an effective system of disclosure controls and internal control over financial reporting.

Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this release and in our filings with the SEC. Any forward-looking statement, including any contained herein, speaks only as of the time of this release and we do not undertake to update or revise them as more information becomes available or to disclose any facts, events, or circumstances after the date of this release that may affect the accuracy of any forward-looking statement, except as required by law.

Statement Regarding Non-GAAP Financial Measures

This press release includes financial measures that are not calculated in accordance with GAAP, including Adjusted EBITDA and Adjusted Diluted EPS. Such measures are not recognized terms under GAAP, should not be considered in isolation or as a substitute for measures prepared in accordance with GAAP, and are not indicative of net income and diluted EPS as determined under GAAP. Adjusted EBITDA, Adjusted Diluted EPS and other non-GAAP financial measures have limitations that should be considered before using these measures to evaluate PFG's financial performance. Adjusted EBITDA and Adjusted Diluted EPS, as presented, may not be comparable to similarly titled measures of other companies because of varying methods of calculation.

Management uses Adjusted EBITDA, defined as net income before interest expense, interest income, income and franchise taxes, and depreciation and amortization, further adjusted to exclude certain items we do not consider part of our core operating results. Such adjustments include certain unusual, non-cash, non-recurring, cost reduction and other adjustment items permitted in calculating covenant compliance under the PFG's credit agreement and indenture (other than certain pro forma adjustments permitted under our credit agreement and indenture relating to the Adjusted EBITDA contribution of acquired entities or businesses prior to the acquisition date). Under PFG's credit agreement and indenture, PFG's ability to engage in certain activities such as incurring certain additional indebtedness, making certain investments and making restricted payments is tied to ratios based on Adjusted EBITDA (as defined in the credit agreement and indenture).

Management also uses Adjusted Diluted EPS, which is calculated by adjusting the most directly comparable GAAP financial measure by excluding the same items excluded in PFG's calculation of Adjusted EBITDA, as well as certain one-time income tax items, to the extent that each such item was included in the applicable GAAP financial measure.

PFG believes that the presentation of Adjusted EBITDA and Adjusted Diluted EPS is useful to investors because these metrics provide insight into underlying business trends and year-over-year results and are frequently used by securities analysts, investors and other interested parties in their evaluation of the operating performance of companies in PFG's industry.

The following table includes a reconciliation of non-GAAP financial measures to the applicable most comparable U.S. GAAP financial measures.

PERFORMANCE FOOD GROUP COMPANY
Non-GAAP Reconciliation (Unaudited)

<u>(\$ in millions, except share and per share data)</u>	<u>Fiscal year ended</u> <u>June 30, 2018</u>	
Net income (GAAP)	\$	198.7
Interest expense, net		60.4
Income tax (benefit) expense		(5.1)
Depreciation		100.3
Amortization of intangible assets		29.8
EBITDA (Non-GAAP)		384.1
Impact of non-cash items (A)		23.2
Impact of acquisition, integration & reorganization charges (B)		5.0
Impact of productivity initiatives (C)		10.6
Impact of other adjustment items (D)		3.8
Adjusted EBITDA (Non-GAAP)	\$	426.7
Diluted earnings per share (GAAP)	\$	1.90
Impact of non-cash items		0.22
Impact of acquisition, integration & reorganization charges		0.04
Impact of productivity initiatives		0.10
Impact of other adjustment items		0.04
Tax impact of above adjustments		(0.14)
Tax impact of revaluation of net deferred tax liability (E)		(0.37)
Tax impact of other tax law change items (F)		(0.11)
Tax impact of stock-based compensation - performance vesting (G)		(0.14)
Adjusted Diluted Earnings per Share (Non-GAAP)	\$	1.54

- A. Includes adjustments for non-cash charges arising from stock-based compensation, interest rate swap hedge ineffectiveness, and gain/loss on disposal of assets. Stock-based compensation cost was \$21.6 million fiscal 2018. In addition, this includes an increase in the LIFO reserve of \$0.3 million for fiscal 2018.
- B. Includes professional fees and other costs related to completed and abandoned acquisitions, costs of integrating certain of our facilities, facility closing costs, certain equity transactions, and advisory fees.
- C. Consists primarily of professional fees and related expenses associated with productivity initiatives.
- D. Consists primarily of amounts related to fuel collar derivatives, certain financing transactions, lease amendments, and franchise tax expense and other adjustments permitted under our credit agreement.
- E. Represents the per share impact of the \$38.5 million net benefit to deferred income tax expense as a result of the Tax Cuts and Jobs Act and the revaluation of the Company's net deferred tax liability.
- F. Represents the per share impact of the \$11.9 million net benefit to income tax expense as a result of the blended statutory rate for fiscal 2018 and the resulting rate differential related to temporary differences.
- G. Represents the per share impact of the \$15.4 million excess tax benefit recognized as a result of the performance metrics being met for certain stock-based compensation awards upon the exit of the Company's private-equity shareholders.