First Quarter Fiscal 2024 Earnings Conference Call

December 6, 2023

Disclaimer

Certain information in this presentation and discussed on the conference call which this presentation accompanies constitutes forward-looking information within the meaning of the Private Securities Litigation Reform Act of 1995. Statements in this presentation regarding the Company's business that are not historical facts are "forward-looking statements" that involve risks and uncertainties and are based on current expectations and management estimates; actual results may differ materially. The risks and uncertainties which could impact these statements are described in the Company's filings under the Securities Exchange Act of 1934, as amended, including its annual report on Form 10-K for the year ended July 29, 2023 filed with the Securities and Exchange Commission (the "SEC") on September 26, 2023 and other filings the Company makes with the SEC, and include, but are not limited to, our dependence on principal customers; the relatively low margins of our business, which are sensitive to inflationary and deflationary pressures and intense competition, including as a result of the continuing consolidation of retailers and the growth of consumer choices for grocery and consumable purchases; our ability to realize the anticipated benefits of our transformation initiatives; changes in relationships with our suppliers; our ability to operate, and rely on third parties to operate, reliable and secure technology systems; labor and other workforce shortages and challenges; the addition or loss of significant customers or material changes to our relationships with these customers; our ability to realize anticipated benefits of our acquisitions; our ability to continue to grow sales, including of our higher margin natural and organic foods and non-food products, and to manage that growth; our ability to maintain sufficient volume in our wholesale segment to support our operating infrastructure; the impact and duration of any pandemics or disease outbreaks; our ability to access additional capital; increases in healthcare, pension and other costs under our and multiemployer benefit plans; the potential for additional asset impairment charges; our sensitivity to general economic conditions including inflation, changes in disposable income levels and consumer purchasing habits; our ability to timely and successfully deploy our warehouse management system throughout our distribution centers and our transportation management system across the Company and to achieve efficiencies and cost savings from these efforts; the potential for disruptions in our supply chain or our distribution capabilities from circumstances beyond our control, including due to lack of long-term contracts, severe weather, labor shortages or work stoppages or otherwise; moderated supplier promotional activity, including decreased forward buying opportunities; union-organizing activities that could cause labor relations difficulties and increased costs; our ability to maintain food quality and safety; and volatility in fuel costs. Any forward-looking statements are made pursuant to the Private Securities Litigation Reform Act of 1995 and, as such, speak only as of the date made. The Company is not undertaking to update any information in the foregoing reports until the effective date of its future reports required by applicable laws. Any estimates of future results of operations are based on a number of assumptions, many of which are outside the Company's control and should not be construed in any manner as a guarantee that such results will in fact occur. These estimates are subject to change and could differ materially from final reported results. The Company may from time to time update these publicly announced estimates, but it is not obligated to do so.

This presentation also contains the non-GAAP financial measures Adjusted EBITDA, Adjusted EPS, Adjusted EBITDA leverage ratio, Adjusted EBITDA margin rate, free cash flow, adjusted effective tax rate and capital and cloud implementation expenditures. The reconciliation of these non-GAAP financial measures (except for capital and cloud implementation expenditures) to the most directly comparable GAAP financial measure is presented in the appendix to this presentation. The components of capital and cloud implementation expenditures for fiscal 2024 will be primarily dependent on the nature of certain contracts to be executed. The presentation of non-GAAP financial measures is not intended to be considered in isolation or as a substitute for any measure prepared in accordance with GAAP. The Company believes that presenting non-GAAP financial measures aids in making period-to-period comparisons, assessing the performance of our business and understanding the underlying operating performance and core business trends, and is a meaningful indication of its actual and estimated operating performance. The Company's management utilizes and plans to utilize this non-GAAP financial information to compare the Company's operating performance during certain fiscal periods to the comparable periods in the other fiscal years and, in certain cases, to internally prepared projections.

Agenda

Introduction	Steve Bloomquist *Vice President, Investor Relations*
Opening Remarks	Sandy Douglas *Chief Executive Officer*
Financial Results	John Howard *Chief Financial Officer*
Q&A	

Results Summary

$ in Millions, except for per share data.

	Q1 FY24	Q1 FY23	% Change
Net Sales	$7,552	$7,532	▲ 0.3%
Gross Profit	$1,030	$1,096	▼ (6.0)%
Adjusted EBITDA	$117	$207	▼ (43.5)%
Adjusted EPS	$(0.04)	$1.13	▼ (103.5)%

- Net sales growth primarily driven by inflation and new business, primarily from growth in the Supernatural channel, largely offset by a decrease in units sold.
- Adjusted EBITDA decline primarily reflects lower gross profit rate driven by a reduced level of inflation-driven procurement gains. Sequentially, Adjusted EBITDA rose $24 million resulting from improved operational execution and the benefit of near-term value creation initiatives earlier than previously expected.
- Adjusted EPS decline primarily reflects lower Adjusted EBITDA.

Definitions and reconciliations for non-GAAP measures are provided at the end of the presentation.

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Opening Remarks

Sandy Douglas

Chief Executive Officer

Driving Progress on Near and Longer-term Initiatives

Making early progress resetting and restoring profitability

Near-term Initiatives

- **Value creation initiatives being achieved ahead of schedule**: Rapid progress on near-term value creation initiatives. Continue to expect about $150 million of operational efficiencies in our FY24 results.

- **Progress on near-term initiatives supports longer-term transformation:** Success on near-term initiatives lays the groundwork for longer-term transformation aspirations. Progress on wholesale efficiency actions particularly beneficial.

- **Shrink remediation surpassing expectations:** Shrink improvement benefiting from improved management routines, new standardized processes and stability in supply chain and labor force.

Longer-term Initiatives

- **Significant progress on network automation and optimization**: Completed consolidation of Logan Township into Allentown distribution center, bringing fresh and conventional business in the region under one roof. Expanded automation system at Carlisle distribution center.

- **Continue to augment leadership team:** Recruited new CEO for retail business and a new Chief Information Officer. Both have helped lead successful transformations previously.

- **Board refreshment:** Onboarding of new board members completed and held our first board meeting with our refreshed board just last week. Strongly believe new members will add meaningful value.

Remain focused on sustaining operating and transformation momentum.

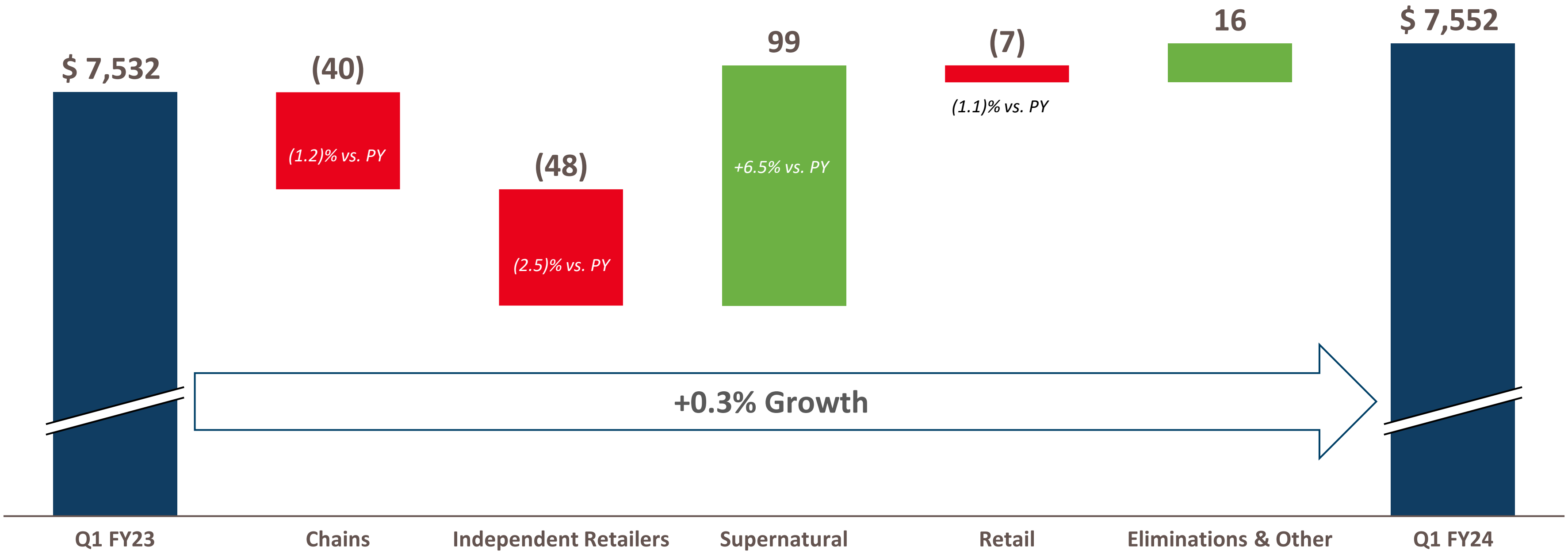
Financial Results

John Howard

Chief Financial Officer

Q1 FY24 Revenue Performance

$ in Millions.



- Wholesale growth includes net inflation nearly offset by a decline in unit volumes, which remained negative but improved sequentially.
- New business pipeline remains strong and well diversified across all channels.

Q1 FY24 Adjusted EBITDA

$ in Millions.

The decline in Adjusted EPS from $1.13 in Q1 FY23 to $(0.04) in Q1 FY24 was primarily driven by lower Adjusted EBITDA.

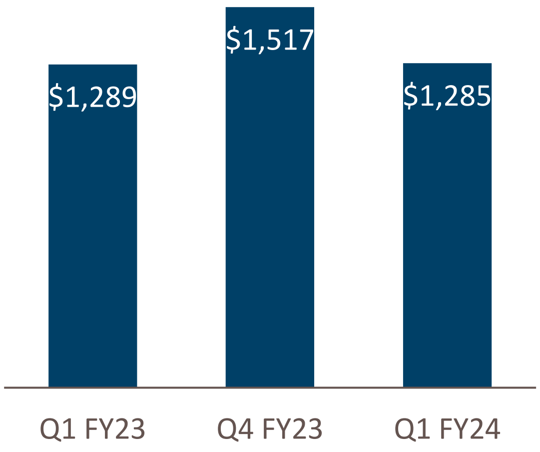
- Adjusted EBITDA decline primarily driven by lower gross margin rate resulting from reduced Wholesale procurement gains. Sequential improvement in Adjusted EBITDA driven by benefits of near-term value creation initiatives and shrink remediation surpassing expectations.

Definitions and reconciliations are provided at the end of this presentation.

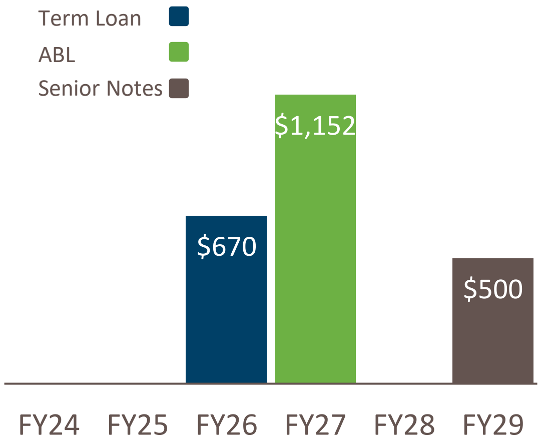
Significant Financial Flexibility to Help Drive Transformation

Financial positioning to help drive Transformation momentum

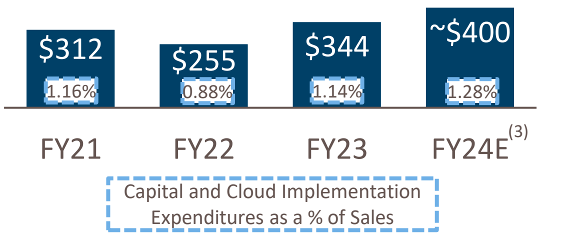
Liquidity
$M



Maturity Schedule[1]
$M



Capital and Cloud Implementation Expenditures[2]
$M



- Significant balance sheet flexibility provides strong base for Transformation program.
- Will work to retain optionality embedded in balance sheet to enable expeditious debt repayment as we drive operational and financial improvement through multi-year strategy.

(1) As of October 28, 2023.
(2) Reflects capital expenditures and cloud technology implementation expenditures, which are included in cash from operations. The implementation expenditures included in fiscal 2021, fiscal 2022 and fiscal 2023 total approximately $2M, $4M and $21M, respectively. The components of fiscal 2024 will be primarily dependent on the nature of certain contracts to be executed.
(3) Reflects Fiscal 2024 Outlook midpoint as reported in the Company's Form 8-K dated December 6, 2023.

Definitions and reconciliations for non-GAAP measures are provided at the end of the presentation.

Reaffirming Fiscal 2024 Outlook (1)

Net Sales	Adjusted EBITDA	Adjusted EPS	Capital and Cloud Implementation Expenditures
$30.9 - $31.5B	$450 - $550M	$(0.88) - $0.38	~$400M

Outlook balances first quarter progress with challenging macro and industry backdrop.

(1) The outlook provided above is for fiscal 2024 which is a 53-week fiscal year. This outlook is forward-looking, is based on management's current estimates and expectations and is subject to several risks, including many that are outside of management's control. See cautionary language on slide 2 and the risk factors contained in the Company's Annual Report on Form 10-K for the year ended July 29, 2023 and other filings the Company makes with the SEC.

Definitions and reconciliations for non-GAAP measures are provided at the end of this presentation.

In Summary

- Driving near-term and long-term operational improvement.
- Longer-term transformation agenda continues to progress as expected.
- Balance sheet flexibility creates solid base to drive Transformation program.
- Focused on sustaining operational and transformation momentum.

Driving early progress on multi-year transition to greater efficiency and profitability to become a technology-enabled food retail services company.

Appendix

Capital Structure

Q1 net debt increase driven by typical working capital build in advance of holiday selling season

($'s in Millions)	Maturity	Rate [2]	Q4 FY20	Q4 FY21	Q4 FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24
Secured term loan B-1 [1]	October 2025	S + 3.25%	$ 1,773	$ 1,002	$ 800	$ 800	$ 670	$ 670	$ 670	$ 670
$2.6B ABL revolver [1][3]	June 2027	S + 1.0% / Prime + 0.0%	757	701	840	1,217	923	879	812	1,152
Senior unsecured notes	October 2028	6.75%	-	500	500	500	500	500	500	500
Finance leases	Various	Various	156	142	36	33	29	26	23	21
Equipment loans	Various	Various	49	37	23	20	16	13	9	5
Original issue discount / deferred finance fees			(81)	(52)	(40)	(38)	(32)	(30)	(28)	(26)
Total Debt and Finance Leases (GAAP)			**$ 2,654**	**$ 2,330**	**$ 2,159**	**$ 2,532**	**$ 2,106**	**$ 2,058**	**$ 1,986**	**$ 2,322**
Balance sheet cash			(47)	(41)	(44)	(39)	(40)	(38)	(37)	(37)
Net Debt (GAAP)			**$ 2,607**	**$ 2,289**	**$ 2,115**	**$ 2,493**	**$ 2,066**	**$ 2,020**	**$ 1,949**	**$ 2,285**
LTM Adjusted EBITDA			**$ 691**	**$ 770**	**$ 829**	**$ 836**	**$ 797**	**$ 760**	**$ 640**	**$ 550**
Net Debt / Adjusted EBITDA [4]			**3.8x**	**3.0x**	**2.6x**	**3.0x**	**2.6x**	**2.7x**	**3.0x**	**4.2x**
Available Liquidity [5]			**$ 1,235**	**$ 1,321**	**$ 1,671**	**$ 1,289**	**$ 1,573**	**$ 1,615**	**$ 1,517**	**$ 1,285**

(1) Paid $150M in Q2 FY22 with borrowings on the ABL revolver and paid $125M in Q2 FY23 with proceeds from monetizing certain accounts receivable.

(2) Converted the secured term loan B-1 and ABL revolver benchmark rates from LIBOR to SOFR in Q4 FY22. Reduced the SOFR margin on the ABL revolver from 1.25% to 1.0% in Q4 FY22.

(3) Refinanced and upsized the ABL revolver from $2.1B to $2.6B in Q4 FY22.

(4) Net debt, as shown, divided by Adjusted EBITDA.

(5) Balance sheet cash plus unused capacity under the revolving ABL facility.

Definitions and reconciliations for non-GAAP measures are provided at the end of this presentation.

Non-GAAP Metric Definitions

Adjusted EPS: The non-GAAP adjusted earnings per diluted common share measure is a consolidated measure, which the Company reconciles by adding Net income attributable to UNFI plus the LIFO charge or benefit, goodwill impairment benefits and charges, restructuring, acquisition, and integration related expenses, gains and losses on sales of assets, certain legal charges and gains, surplus property depreciation and interest expense, losses on debt extinguishment, the impact of diluted shares when GAAP earnings is presented as a loss and non-GAAP earnings represent income, and the tax impact of adjustments and the adjusted effective tax rate, which tax impact is calculated using the adjusted effective tax rate, discontinued operations store closures and other charges, net, and certain other non-cash charges or other items, as determined by management.

During the third quarter of fiscal 2022, the Company revised its definition of Adjusted EPS to exclude the impact of the LIFO charge or benefit. The Company believes that this change provides a better indicator of its underlying operating performance and permits better comparability between periods.

Adjusted EBITDA: The non-GAAP Adjusted EBITDA measure is a consolidated measure inclusive of continuing and discontinued operations results, which the Company reconciles by adding Net income (loss) from continuing operations, less Net income attributable to noncontrolling interests, plus Non-operating income and expenses, including Net periodic benefit income, excluding service cost, Interest expense, net and Other (income) expense, net, plus Provision (benefit) for income taxes and Depreciation and amortization all calculated in accordance with GAAP, plus adjustments for Share-based compensation, non-cash LIFO charge or benefit, Restructuring, acquisition and integration related expenses, Goodwill impairment charges, Loss (gain) on sale of assets and other asset charges, certain legal charges and gains, certain other non-cash charges or other items, as determined by management, plus Adjusted EBITDA of discontinued operations calculated in a manner consistent with the results of continuing operations, outlined above. The changes to the definition of Adjusted EBITDA from prior periods reflect changes to line item references in our Consolidated Financial Statements, which do not impact the calculation of Adjusted EBITDA.

During the third quarter of fiscal 2022, the Company revised its definition of Adjusted EBITDA to exclude the impact of the LIFO charge or benefit. The Company believes that this change provides a better indicator of its underlying operating performance and permits better comparability between periods.

Adjusted EBITDA margin: The percentage that results from dividing Adjusted EBITDA by net sales.

Net debt to Adjusted EBITDA leverage ratio: The non-GAAP adjusted EBITDA leverage ratio is defined as the total carrying (GAAP) value of outstanding short-and long-term debt and finance lease liabilities less net cash and cash equivalents, the sum of which is divided by the trailing four quarters adjusted EBITDA.

Free cash flow: The non-GAAP free cash flow measure is defined as net cash provided by operating activities less payments for capital expenditures.

Capital and cloud implementation expenditures: The non-GAAP capital and cloud implementation expenditures measure is defined as the sum of payments for capital expenditures and cloud technology implementation expenditures.

Reconciliation – Adjusted EBITDA

(in millions)	13-Week Period Ended October 28, 2023	13-Week Period Ended October 29, 2022
Net (loss) income including noncontrolling interests	$ (39)	$ 67
Adjustments to net (loss) income including noncontrolling interests:		
Less net income attributable to noncontrolling interests	—	(1)
Net periodic benefit income, excluding service cost	(3)	(7)
Interest expense, net	35	35
Other income, net	—	(1)
(Benefit) provision for income taxes	(9)	5
Depreciation and amortization	78	74
Share-based compensation	6	12
LIFO charge	7	21
Restructuring, acquisition and integration related expenses	4	2
Loss (gain) on sale of assets and other asset charges (1)	19	(5)
Business transformation costs (2)	15	5
Other adjustments (3)	4	—
Adjusted EBITDA	$ 117	$ 207

(1) The first quarter of fiscal 2024 includes a $21 million non-cash asset impairment charge related to one of our corporate-owned office locations.

(2) Reflects costs associated with business transformation initiatives, primarily including third-party consulting costs and licensing costs, which are included within Operating expenses in the Condensed Consolidated Statements of Operations.

(3) Primarily reflects third-party professional service fees related to shareholder negotiations.

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Reconciliation – Adjusted EPS

(in millions, except per share amounts)	13-Week Period Ended October 28, 2023	13-Week Period Ended October 29, 2022
Net (loss) income attributable to United Natural Foods, Inc.	$ (39)	$ 66
Restructuring, acquisition and integration related expenses	4	2
Loss (gain) on sale of assets and other asset charges other than losses on sales of receivables (1)	14	(5)
LIFO charge	7	21
Surplus property depreciation and interest expense (2)	1	1
Business transformation costs (3)	15	5
Other adjustments (4)	4	—
Tax impact of adjustments and adjusted effective tax rate (5)	(8)	(20)
Adjusted net (loss) income	$ (2)	$ 70
Diluted weighted average shares outstanding	58.7	61.6
Adjusted EPS (6)	$ (0.04)	$ 1.13

(1) Loss (gain) on sale of assets and other asset charges, as reflected here, does not include losses on sales of receivables under the accounts receivable monetization program, which are included in Loss (gain) on sale of assets and other asset charges on the Consolidated Statements of Operations and are not adjusted in the calculation of Adjusted EPS. The first quarter of fiscal 2024 includes a $21 million non-cash asset impairment charge related to one of our corporate-owned office locations.

(2) Reflects surplus, non-operating property depreciation and interest expense.

(3) Reflects costs associated with business transformation initiatives, primarily including third-party consulting costs and licensing costs, which are included within Operating expenses in the Condensed Consolidated Statements of Operations.

(4) Primarily reflects third-party professional service fees related to shareholder negotiations.

(5) Represents the tax effect of the pre-tax adjustments using an adjusted effective tax rate. The adjusted effective tax rate is calculated based on adjusted net income before tax, and its impact reflects the exclusion of changes to uncertain tax positions, valuation allowances, tax impacts related to the vesting of share-based compensation awards and discrete GAAP tax items which could impact the comparability of the operational effective tax rate. The Company believes using this adjusted effective tax rate will provide better consistency across the interim reporting periods since each of these discrete items can cause volatility in the GAAP tax rate that is not indicative of the underlying ongoing operations of the Company. By providing this non-GAAP measure, management intends to provide investors with a meaningful, consistent comparison of the Company's effective tax rate on ongoing operations.

(6) Adjusted earnings per share amounts are calculated using actual unrounded figures.

Reconciliation – Last Four Quarters Adjusted EBITDA

	Last Four Quarters Ended							
(in millions)	August 1, 2020 (52 weeks)	July 31, 2021 (52 weeks)	July 30, 2022 (52 weeks)	October 29, 2022 (52 weeks)	January 28, 2023 (52 weeks)	April 29, 2023 (52 weeks)	July 29, 2023 (52 weeks)	October 28, 2023 (52 weeks)
Net income (loss) from continuing operations	$ (251)	$ 149	$ 254	$ 244	$ 198	$ 138	$ 30	$ (76)
Adjustments to continuing operations net income:								
Less net income attributable to noncontrolling interests	(5)	(6)	(6)	(6)	(7)	(7)	(6)	(5)
Net periodic benefit income, excluding service cost	(39)	(85)	(40)	(37)	(34)	(32)	(29)	(25)
Interest expense, net	192	204	155	150	145	143	144	144
Other (income) expense, net	(4)	(8)	(2)	(4)	(2)	(2)	(2)	(1)
(Benefit) provision for income taxes	(91)	34	56	62	46	16	(23)	(37)
Depreciation and amortization	282	285	285	290	294	299	304	308
Share-based compensation	34	49	43	44	43	43	38	32
LIFO charge	18	24	158	168	178	139	119	105
Restructuring, acquisition and integration related expenses	87	56	21	20	18	6	8	10
Goodwill impairment charges	425	—	—	—	—	—	—	—
Loss (gain) on sale of assets	18	(4)	(87)	(92)	(92)	—	30	54
Multiemployer pension plan withdrawal charges (benefit)	—	63	(8)	(8)	—	—	1	1
Notes receivable charges	13	—	—	—	—	—	—	—
Legal reserve charge, net of settlement income	1	—	—	—	—	—	—	—
Other retail expense (benefit)	1	5	—	—	1	1	1	1
Business transformation costs	—	—	—	5	9	16	25	35
Other adjustments	—	—	—	—	—	—	—	4
Adjusted EBITDA of continuing operations	681	766	829	836	797	760	640	550
Adjusted EBITDA of discontinued operations	10	4	—	—	—	—	—	—
Adjusted EBITDA	$ 691	$ 770	$ 829	$ 836	$ 797	$ 760	$ 640	$ 550
Income from discontinued operations, net of tax	$ (18)	6	$ —	$ —	$ —	$ —	$ —	$ —
Adjustments to discontinued operations net income:								
Benefit for income taxes	(5)	(1)	—	—	—	—	—	—
Restructuring, store closure and other charges, net	33	(1)	—	—	—	—	—	—
Adjusted EBITDA of discontinued operations	$ 10	$ 4	$ —	$ —	$ —	$ —	$ —	$ —
Wholesale	$ 610	$ 677	$ 696	$ 692	$ 653	$ 625	$ 540	$ 486
Retail	89	98	98	96	92	96	70	49
Other	(16)	(10)	44	59	62	50	31	15
Eliminations	(2)	1	(9)	(11)	(10)	(11)	(1)	—
Adjusted EBITDA of continuing operations	681	766	829	836	797	760	640	550
Adjusted EBITDA of discontinued operations	10	4	—	—	—	—	—	—
Adjusted EBITDA	$ 691	$ 770	$ 829	$ 836	$ 797	$ 760	$ 640	$ 550

Free Cash Flow

	13-Week Period Ended	
(in millions)	October 28, 2023	October 29, 2022
Net cash used in operating activities	$ (254)	$ (262)
Payments for capital expenditures	(74)	(67)
Free cash flow	$ (328)	$ (329)

Reconciliation – FY24 Outlook

(in millions, except per share amounts)	Fiscal Year Ending August 3, 2024 Low Range	Estimate	High Range
Net loss attributable to United Natural Foods, Inc.	$ (120)		$ (46)
Restructuring, acquisition and integration related expenses		2	
LIFO charge		25	
Loss on sale of assets and other asset charges [1]		13	
Business transformation costs		51	
Tax impact of adjustments and adjusted effective tax rate [2]		(23)	
Adjusted net (loss) income	$ (52)		$ 22
Diluted weighted average shares outstanding	59		60
Adjusted EPS [3]	$ (0.88)		$ 0.38

(1) Loss on sale of assets and other asset charges, as reflected here, does not include losses on sales of receivables under the accounts receivable monetization program, which are included in Loss (gain) on sale of assets and other asset charges on the Consolidated Statements of Operations and are not adjusted in the calculation of Adjusted EPS.

(2) The estimated adjusted effective tax rate excludes the potential impact of changes in uncertain tax positions, tax impacts related to the vesting of share-based compensation awards and valuation allowances. Refer to the reconciliation for adjusted effective tax rate.

(3) Adjusted (loss) earnings per share amounts as presented include rounding.

Reconciliation of 2024 guidance for Net loss attributable to United Natural Foods, Inc. to Adjusted EBITDA (unaudited)

(in millions)	Fiscal Year Ending August 3, 2024 Low Range	Estimate	High Range
Net loss attributable to United Natural Foods, Inc.	$ (120)		$ (46)
Benefit for income taxes	(42)		(16)
LIFO charge		25	
Interest expense, net		161	
Depreciation and amortization		314	
Share-based compensation and other		42	
Net periodic benefit income, excluding service costs		(15)	
Loss on sale of assets and other asset charges		32	
Restructuring, acquisition and integration related expenses		2	
Business transformation costs		51	
Adjusted EBITDA	$ 450		$ 550