Third Quarter Fiscal 2023 Earnings Conference Call

June 7, 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 30, 2022 filed with the Securities and Exchange Commission (the “SEC”) on September 27, 2022 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; our ability to operate, and rely on third parties to operate, reliable and secure technology systems; our ability to realize anticipated benefits of our strategic initiatives, including any acquisitions; labor and other workforce shortages and challenges; the addition or loss of significant customers or material changes to our relationships with these customers; our sensitivity to general economic conditions including inflation, changes in disposable income levels and consumer spending trends; the impact and duration of any pandemics or disease outbreaks; 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; increased competition in our industry, including as a result of continuing consolidation of retailers and the growth of chains, direct distribution by large retailers and the growth of online distributors; 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; the potential for additional asset impairment charges; our ability to maintain food quality and safety; volatility in fuel costs; volatility in foreign exchange rates; and our ability to identify and successfully complete asset or business acquisitions. 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, and adjusted effective tax rate. The reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measure is presented in the appendix to this presentation. 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.

	Q3 FY23	Q3 FY22	% Change
Net Sales	$7,507	$7,242	▲ 4%
Gross Profit	$1,000	$1,012	▼ 1%
Adjusted EBITDA[1]	$159	$196	▼ 19%
Adjusted EPS[1]	$0.54	$1.10	▼ 51%

- Net sales growth primarily driven by inflation, new customer wins, and deeper sales penetration with existing customers, partially offset by a decline in units.
- Adjusted EBITDA decline primarily reflects lower gross profit rate, which was partially offset by the reversal of incentive compensation accrual.
- Adjusted EPS decline primarily reflects lower Adjusted EBITDA, higher D&A and lower non-cash pension income.

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

Opening Remarks

Sandy Douglas

Chief Executive Officer

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Near-Term Actions Being Taken

Pursuing near-term profitability improvement measures while longer-term progress is made to structurally enhance efficiency and growth trajectory

Action	Benefits
SG&A Savings	Lower SG&A spending, enhanced operational knowledge
Administrative Structure Efficiencies	Reduced organizational complexity, enhanced adaptability, lower SG&A
SKU Optimization	Opex efficiencies in distribution centers
Contract Term Review	Greater contract consistency, improved gross margins

Total run-rate savings of over $100 million identified to help offset near-term profitability pressure.

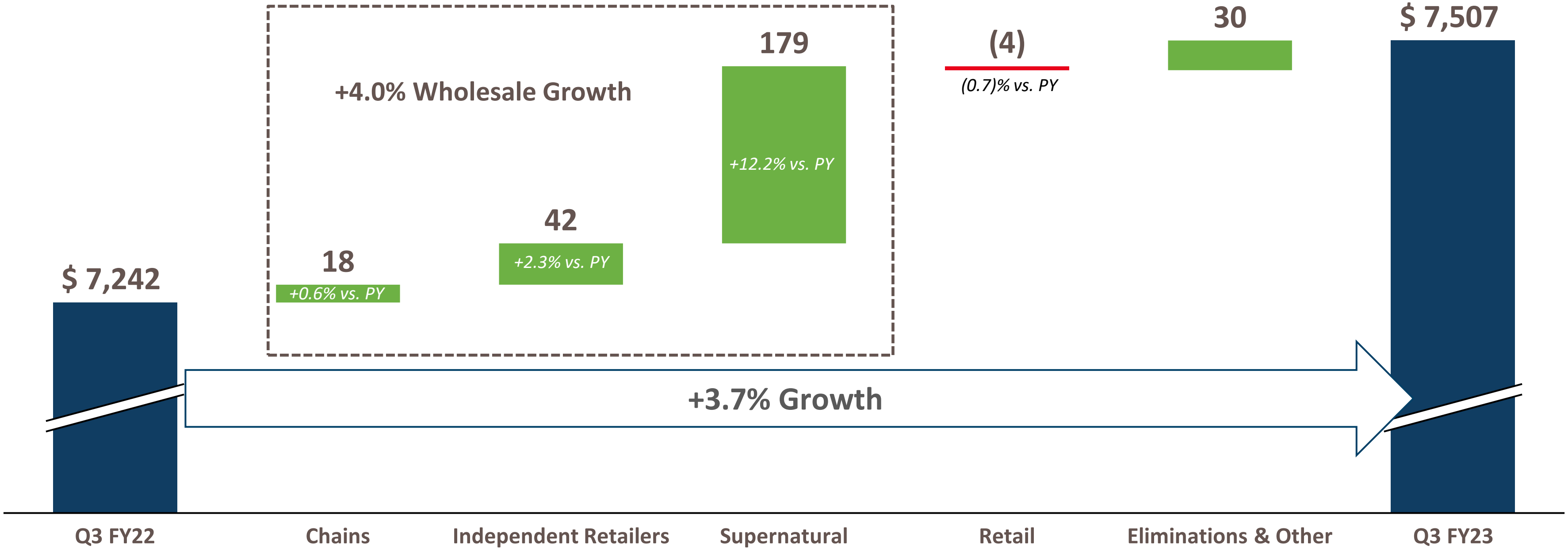
Financial Results

John Howard

Chief Financial Officer

Q3 FY23 Revenue Performance

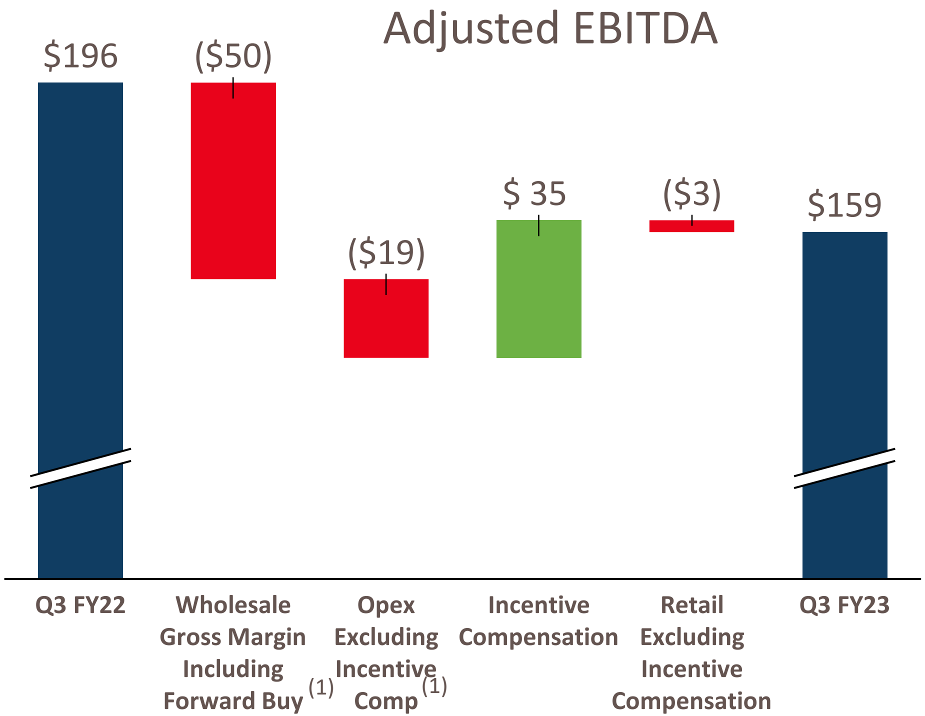
$ in Millions.

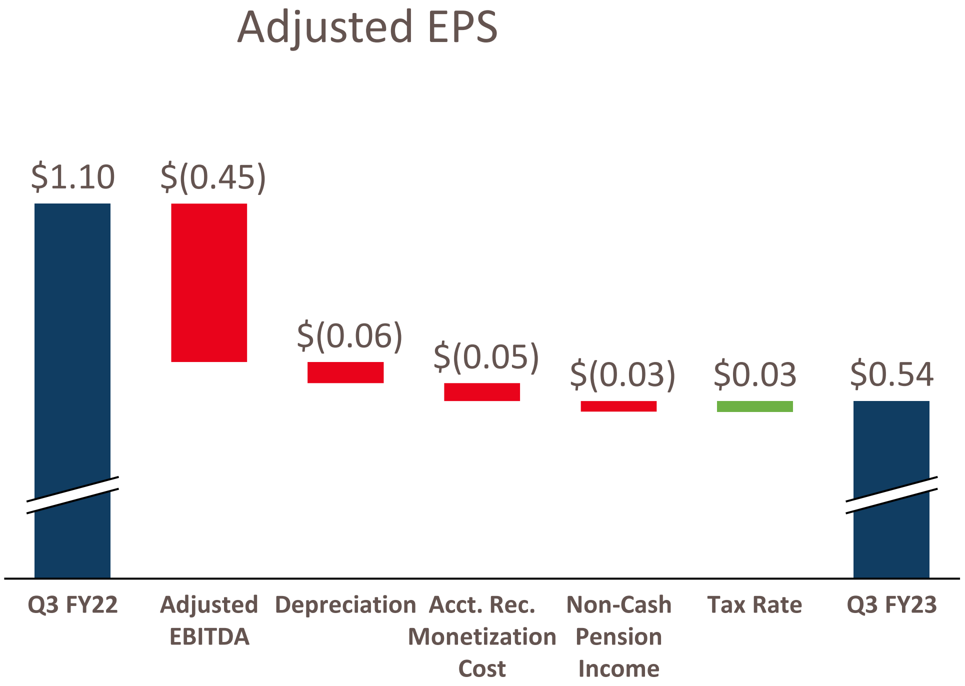


- Wholesale growth includes net inflation as well as new customers and new categories with existing customers, partially offset by a decline in unit volumes, which was in-line with the overall grocery market.
- New business pipeline remains strong and well diversified across all channels.

Q3 FY23 Adjusted EBITDA and Adjusted EPS Performance

$ in Millions, except per share data.



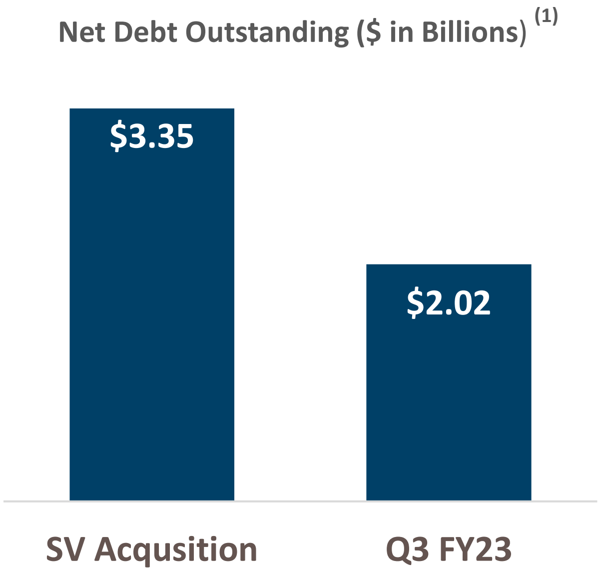


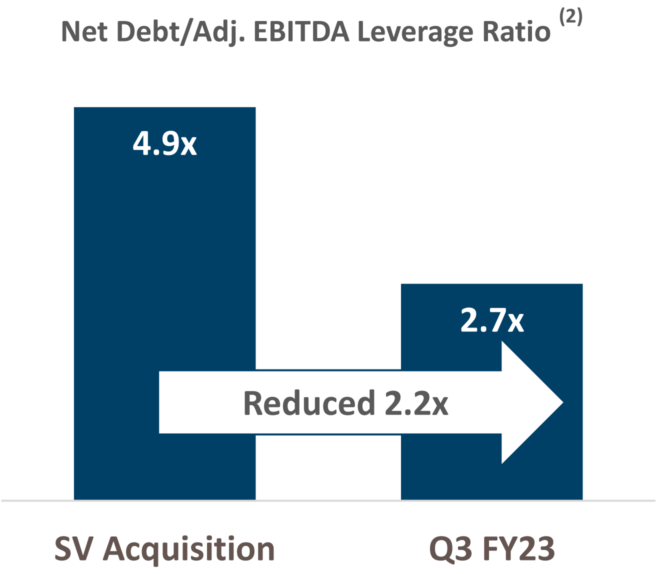
- Adjusted EBITDA decline driven by lower gross margin rate, primarily in natural, and reduced procurement gains.
- Lower Adjusted EPS primarily reflects decrease in Adjusted EBITDA as well as higher D&A associated with increased capex.

(1) For Wholesale / Other segments. *Definitions and reconciliations are provided at the end of this presentation.*

Continuing to Prioritize Debt Reduction

Lowest debt level since Supervalu Acquisition in 2018





- Continue to prioritize debt repayment reducing net debt balance by $46 million in the quarter primarily driven by free cash flow generation of $65 million.
- Ended quarter at 2.7x net debt to Adjusted EBITDA leverage, continuing steady decline since Supervalu acquisition.

(1) SV acquisition debt balance as of Q1 FY19.
(2) Based on Q1FY20 which was first four quarters following acquisition of Supervalu. Definitions and reconciliations for non-GAAP measures are provided at the end of this presentation.

Revising Fiscal 2023 Outlook (1)

Maintaining revenue and capital expenditures outlook, reducing profitability outlook

Net Sales	Adjusted EBITDA (2)	Adjusted EPS (2)	Capex
$30.1 - $30.5B *(unchanged)*	**$610 - $650M**	**$1.80 - $2.30**	**~$350M** *(unchanged)*

(1) The outlook provided above is for fiscal 2023. 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 30, 2022 and other filings the Company makes with the SEC.
(2) Definitions and reconciliations for non-GAAP measures are provided at the end of this presentation.

In Summary

- Actioning over $100 million of annualized near-term profitability enhancements to help offset profitability pressures.
- Longer-term improvement agenda continues to progress as expected.
- Coupling topline strategy with improved operating leverage to help drive meaningful acceleration in shareholder value.
- Continue to view equity as attractive despite current volatility given long-run trajectory.

Remain confident in ability to drive long-term profitability and shareholder returns through targeted short and long-run improvement strategies.

Appendix

Capital structure

Modest sequential decrease in net debt

$ in Millions	Maturity	Rate [2]	Q4 FY20	Q4 FY21	Q3 FY22	Q4 FY22	Q1 FY23	Q2 FY23	Q3 FY23
Secured term loan B-1 [1]	October 2025	S + 3.25%	$ 1,773	$ 1,002	$ 800	$ 800	$ 800	$ 670	$ 670
$2.6B ABL revolver [1][3]	June 2027	S + 1.0% / Prime + 0.0%	757	701	1,101	840	1,217	923	879
Senior unsecured notes	October 2028	6.75%	-	500	500	500	500	500	500
Finance leases	Various	Various	156	142	39	36	33	28	26
Equipment loans	Various	Various	49	37	27	23	20	16	13
Original issue discount / deferred finance fees			(81)	(52)	(37)	(40)	(38)	(32)	(30)
Total Debt and Finance Leases (GAAP)			**$ 2,654**	**$ 2,330**	**$ 2,430**	**$ 2,159**	**$ 2,532**	**$ 2,105**	**$ 2,058**
Balance sheet cash			(47)	(41)	(48)	(44)	(39)	(40)	(38)
Net Debt (GAAP)			**$ 2,607**	**$ 2,289**	**$ 2,382**	**$ 2,115**	**$ 2,493**	**$ 2,066**	**$ 2,020**
LTM Adjusted EBITDA			**$ 691**	**$ 770**	**$ 822**	**$ 829**	**$ 836**	**$ 797**	**$ 760**
Net Debt / Adjusted EBITDA [4]			**3.8x**	**3.0x**	**2.9x**	**2.6x**	**3.0x**	**2.6x**	**2.7x**
Available Liquidity [5]			**$ 1,235**	**$ 1,321**	**$ 909**	**$ 1,671**	**$ 1,289**	**$ 1,573**	**$ 1,615**

(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 (plus related credit spread adjustments) 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.

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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 is a consolidated measure which we reconcile by adding Net income (loss) including noncontrolling interests, 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, (Gain) loss on sale of assets, certain legal charges and gains, 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 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.

Reconciliation – Adjusted EBITDA

(in millions)	13-Week Period Ended April 29, 2023	13-Week Period Ended April 30, 2022	39-Week Period Ended April 29, 2023	39-Week Period Ended April 30, 2022
Net income including noncontrolling interests	$ 8	$ 68	$ 97	$ 213
Adjustments to net income including noncontrolling interests:				
Less net income attributable to noncontrolling interests	(1)	(1)	(5)	(4)
Net periodic benefit income, excluding service cost	(8)	(10)	(22)	(30)
Interest expense, net	35	37	109	121
Other income, net	(1)	(1)	(2)	(2)
(Benefit) provision for income taxes	(1)	29	13	53
Depreciation and amortization	77	72	224	210
Share-based compensation	10	10	33	33
LIFO charge	33	72	83	102
Restructuring, acquisition and integration related (benefits) expenses	(4)	8	1	16
Loss (gain) on sale of assets(1)	4	(88)	—	(87)
Multiemployer pension plan withdrawal benefit(2)	—	—	—	(8)
Other retail benefit(3)	—	—	—	(1)
Business transformation costs(4)	7	—	16	—
Adjusted EBITDA	$ 159	$ 196	$ 547	$ 616

(1) Fiscal 2022 primarily reflects the gain on sale of our Riverside, California distribution center in the third quarter of fiscal 2022.

(2) Reflects an adjustment to multiemployer pension plan withdrawal charge estimates.

(3) Reflects an insurance recovery associated with event-specific damages to certain retail stores and store closure costs.

(4) Reflects third-party costs primarily for business transformation initiatives, including network automation and optimization, commercial value creation, digital offering enhancement and infrastructure unification and modernization.

Reconciliation – Adjusted EPS

(in millions, except per share amounts)	13-Week Period Ended April 29, 2023	13-Week Period Ended April 30, 2022	39-Week Period Ended April 29, 2023	39-Week Period Ended April 30, 2022
Net income attributable to United Natural Foods, Inc.	$ 7	$ 67	$ 92	$ 209
Restructuring, acquisition and integration related (benefits) expenses	(4)	8	1	16
Gain on sale of assets other than losses on sales of receivables [1]	—	(88)	(9)	(87)
LIFO charge	33	72	83	102
Surplus property depreciation and interest expense[2]	—	—	1	2
Multiemployer pension plan withdrawal benefit	—	—	—	(8)
Loss on debt extinguishment	—	2	3	7
Other retail benefit[3]	—	—	—	(1)
Business transformation costs[4]	7	—	16	—
Tax impact of adjustments and adjusted effective tax rate[5]	(10)	6	(37)	(23)
Adjusted net income	$ 33	$ 67	$ 150	$ 217
Diluted weighted average shares outstanding	60.4	60.9	61.0	61.0
Adjusted EPS[6]	$ 0.54	$ 1.10	$ 2.46	$ 3.56

(1) Gain on sale of assets, 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 on the Condensed Consolidated Statements of Operations and are not adjusted from Adjusted EPS.

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

(3) Reflects an insurance recovery associated with event-specific damages to certain retail stores and store closure costs.

(4) Reflects third-party costs primarily for business transformation initiatives, including network automation and optimization, commercial value creation, digital offering enhancement and infrastructure unification and modernization.

(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 reconciliation of the adjusted effective tax rate used in calculating Adjusted EPS is provided in the table below. The Company believes using this adjusted effective tax rate provides 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) Earnings per share amounts are calculated using actual unrounded figures.

Reconciliation – Last Four Quarters Adjusted EBITDA

(in millions)	Last Four Quarters Ended November 2, 2019 (52 weeks)	May 1, 2021 (52 weeks)	July 31, 2021 (52 weeks)	October 30, 2021 (52 weeks)	January 29, 2022 (52 weeks)	April 30, 2022 (52 weeks)	July 30, 2022 (52 weeks)	October 29, 2022 (52 weeks)	January 28, 2023 (52 weeks)	April 29, 2023 (52 weeks)
Net income from continuing operations	$ (650)	$ 163	$ 149	$ 226	$ 236	$ 254	$ 254	$ 244	$ 198	$ 138
Adjustments to continuing operations net income:										
Less net income attributable to noncontrolling interests	(1)	(7)	(6)	(6)	(6)	(5)	(6)	(6)	(7)	(7)
Net periodic benefit income, excluding service cost	(45)	(63)	(85)	(78)	(71)	(64)	(40)	(37)	(34)	(32)
Interest expense, net	223	210	204	175	168	161	155	150	145	143
Other (income) expense, net	(2)	(4)	(8)	(6)	(6)	(6)	(2)	(4)	(2)	(2)
(Benefit) Provision for income taxes	(122)	23	34	34	42	55	56	62	46	16
Depreciation and amortization	298	278	285	277	279	285	285	290	294	299
Share-based compensation	36	50	49	46	45	44	43	44	43	43
LIFO charge	32	17	24	28	40	107	158	168	178	139
Restructuring, acquisition and integration related expenses	95	64	56	43	30	28	21	20	18	6
Loss (gain) on sale of assets	—	17	(4)	(4)	(3)	(91)	(87)	(92)	(92)	—
Multiemployer pension plan withdrawal charges (benefit)	—	—	63	63	55	55	(8)	(8)	—	—
Other retail expense (benefit)	—	6	5	3	1	(1)	—	—	1	1
Business transformation costs	—	—	—	—	—	—	—	5	9	16
Adjusted EBITDA of continuing operations	604	754	766	801	810	822	829	836	797	760
Adjusted EBITDA of discontinued operations	27	6	4	3	1	—	—	—	—	—
Adjusted EBITDA	$ 631	$ 760	$ 770	$ 804	$ 811	$ 822	$ 829	$ 836	$ 797	$ 760
Income from discontinued operations, net of tax	$ 1	3	6	$ 6	$ 3	$ 3	$ —	$ —	$ —	$ —
Adjustments to discontinued operations net income:										
Total other expense, net	5	—	—	—	—	—	—	—	—	—
Benefit for income taxes	(3)	(2)	(1)	(2)	—	(1)	—	—	—	—
Restructuring, store closure and other charges, net	24	5	(1)	(1)	(2)	(2)	—	—	—	—
Adjusted EBITDA of discontinued operations	$ 27	$ 6	$ 4	$ 3	$ 1	$ —	$ —	$ —	$ —	$ —

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Calculation – Net Debt to Adjusted EBITDA Leverage Ratio

(in millions, except ratios)	Q1 FY2020	Q3 FY2021	Q4 FY2021	Q1 FY2022	Q2 FY2022	Q3 FY2022	Q4 FY2022	Q1 FY2023	Q2 FY2023	Q3 FY2023
Long-term debt	$ 3,051	$ 2,314	$ 2,175	$ 2,376	$ 2,309	$ 2,377	$ 2,109	$ 2,485	$ 2,065	$ 2,022
Long-term finance lease liabilities	69	133	35	32	30	27	23	20	18	15
Current portion of long-term debt and finance lease liabilities	35	24	120	121	122	26	27	27	23	21
Less: Cash and cash equivalents	(43)	(40)	(41)	(46)	(45)	(48)	(44)	(39)	(40)	(38)
Net carrying value of debt and finance lease liabilities	3,112	2,431	2,289	2,483	2,416	2,382	2,115	2,493	2,066	2,020
Adjusted EBITDA[(1)(2)]	$ 631	$ 760	$ 770	$ 804	$ 811	$ 822	$ 829	$ 836	$ 797	$ 760
Adjusted EBITDA leverage ratio	4.9x	3.2x	3.0x	3.1x	3.0x	2.9x	2.6x	3.0x	2.6x	2.7x

(1) Periods prior to the third quarter of fiscal 2022 have been revised to exclude the impact of the non-cash LIFO charge to conform to current year presentation.

(2) Adjusted EBITDA reflects the summation of the trailing four quarters.

Adjusted EBITDA By Segment (1)

(in millions)	FY2021	Q1 FY2022	Q2 FY2022	Q3 FY2022	Q4 FY2022	FY2022	Q1 FY2023	Q2 FY2023	Q3 FY2023
Wholesale	$ 677	$ 175	$ 176	$ 171	$ 174	$ 696	$ 171	$ 137	$ 143
Retail	98	22	32	14	30	98	20	28	18
Other	(10)	4	12	11	17	44	19	15	(1)
Eliminations	1	(1)	—	—	(8)	(9)	(3)	1	(1)
Adjusted EBITDA of continuing operations(1)	766	200	220	196	213	829	207	181	159
Adjusted EBITDA of discontinued operations	4	—	—	—	—	—	—	—	—
Adjusted EBITDA(1)	$ 770	$ 200	$ 220	$ 196	$ 213	$ 829	$ 207	$ 181	$ 159
Total net sales	26,950	6,997	7,416	7,242	7,273	28,928	7,532	7,816	7,507
Adjusted EBITDA margin rate	2.86 %	2.86 %	2.97 %	2.71 %	2.93 %	2.87 %	2.75 %	2.32 %	2.12 %

(1) Periods prior to the third quarter of fiscal 2022 have been revised to exclude the impact of the non-cash LIFO charge to conform to current year presentation.

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Free Cash Flow

(in millions)	13-Week Period Ended April 29, 2023	13-Week Period Ended April 30, 2022	39-Week Period Ended April 29, 2023	39-Week Period Ended April 30, 2022
Net cash provided by (used in) operating activities	$ 132	$ (74)	$ 402	$ (31)
Payments for capital expenditures	(67)	(52)	(218)	(158)
Free cash flow	$ 65	$ (126)	$ 184	$ (189)

Reconciliation – FY23 Outlook

Reconciliation of 2023 guidance for estimated Net income attributable to United Natural Foods, Inc. to Adjusted net income and estimated Adjusted EPS (unaudited)

(in millions, except per share amounts)	Fiscal Year Ending July 29, 2023 Low Range	Estimate	High Range
Net income attributable to United Natural Foods, Inc.	$ 11		$ 41
Restructuring, acquisition and integration related expenses		10	
LIFO charge		100	
Business transformation costs		20	
Tax impact of adjustments and adjusted effective tax rate(1)		(32)	
Adjusted net income	$ 109		$ 139
Diluted weighted average shares outstanding	61		61
Adjusted EPS(2)	$ 1.80		$ 2.30

(1) 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.

(2) Adjusted EPS amounts as presented include rounding.

Reconciliation of 2023 guidance for Net income attributable to United Natural Foods, Inc. to Adjusted EBITDA (unaudited)

(in millions)	Fiscal Year Ending July 29, 2023 Low Range	Estimate	High Range
Net income attributable to United Natural Foods, Inc.	$ 11		$ 41
Provision for income taxes	4		14
LIFO charge		100	
Interest expense, net		139	
Other expense, net		11	
Depreciation and amortization		301	
Share-based compensation		43	
Net periodic benefit income, excluding service costs		(29)	
Business transformation costs		20	
Restructuring, acquisition and integration related expenses		10	
Adjusted EBITDA	$ 610		$ 650

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