

UNFI Non-GAAP Financial Measures



Q4 Fiscal 2018

Non-GAAP Financial Measures

To supplement its financial statements presented on a generally accepted accounting principles (“GAAP”) basis, the Company may from time to time present certain historical and estimated non-GAAP financial measures which exclude certain special items. The presentation of these 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 these measures facilitate making period-to-period comparisons and are meaningful indications of its historical 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 to comparable periods and to internally prepared projections.

Leverage as a Multiple of Adjusted EBITDA

<i>(in thousands except for leverage multiple)</i>	Fiscal Year Ended	
	July 28, 2018	July 29, 2017
Leverage as a multiple of Adjusted EBITDA:		
Net income	\$ 165,670	\$ 130,155
Depreciation and amortization	87,631	86,051
Other expense, net	14,480	11,602
Provision for income taxes	47,075	84,268
Adjusted EBITDA	\$ 314,856	\$ 312,076
Outstanding debt	\$ 361,314	\$ 387,054
Leverage as a multiple of Adjusted EBITDA	1.15	1.24

Adjusted EBITDA Margin

<i>(in thousands, except for percentages)</i>	13-Week Period Ended	
	July 28, 2018	July 29, 2017
Net sales	\$ 2,592,248	\$ 2,341,033
Net income	32,788	38,869
Depreciation and amortization	21,649	22,121
Total other expense (income), net*	3,725	(2,068)
Provision for income taxes	13,244	24,668
Restructuring and asset impairment expenses	4,620	2,918
Acquisition related costs	4,967	-
Adjusted EBITDA	<u>\$ 80,993</u>	<u>\$ 86,508</u>
Net income as % of net sales	1.26%	1.66%
Adjusted EBITDA as % of net sales	3.12%	3.70%

<i>(in thousands, except for percentages)</i>	Fiscal Year Ended	
	July 28, 2018	July 29, 2017
Net sales	\$ 10,226,683	\$ 9,274,471
Net income	165,670	\$ 130,155
Depreciation and amortization	87,631	86,051
Total other expense, net *	14,480	11,602
Provision for income taxes	47,075	84,268
Restructuring and asset impairment expenses	16,013	6,864
Acquisition related costs	4,967	-
Adjusted EBITDA	<u>\$ 335,836</u>	<u>\$ 318,940</u>
Net income as % of net sales	1.62%	1.40%
Adjusted EBITDA as % of net sales	3.28%	3.44%

* Other (income) expense, net for the 13-week period and fiscal year ended July 29, 2017 includes a gain of \$6.1 million related to the sale of the Company's stake in Kicking Horse Coffee.