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Q1 Fiscal 2020

Supplemental Slides

December 11, 2019

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 regarding the Company's business that are not historical facts are "forward looking statements" that involve risk 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 filings that United Natural Foods, Inc. (the "Company") has made under the Securities Exchange Act of 1934, as amended, including its Annual report on Form 10-K for the year ended August 3, 2019 filed with the Securities and Exchange Commission (the "SEC") on October 1, 2019 and other filings the Company makes with the SEC, and include, but are not limited to the Company's dependence on principal customers; the potential for additional asset impairment charges; the Company's sensitivity to general economic conditions, including changes in disposable income levels and consumer spending trends; the Company's ability to realize anticipated benefits of its acquisitions and dispositions, in particular, its acquisition of SUPERVALU; the possibility that restructuring, asset impairment and other charges and costs we may incur in connection with the sale or closure of our retail operations will exceed our current expectations; the Company's reliance on the continued growth in sales of higher margin natural and organic foods and non-food products in comparison to lower margin conventional grocery products; increased competition in the Company's industry as a result of increased distribution of natural, organic and specialty products, and direct distribution of those products by large retailers and online distributors; increased competition as a result of continuing consolidation of retailers in the natural product industry and the growth of supernatural chains; the Company's ability to timely and successfully deploy its warehouse management system throughout its distribution centers and its transportation management system across the Company and to achieve efficiencies and cost savings from these efforts; the addition or loss of significant customers or material changes to the Company's relationships with these customers; volatility in fuel costs; volatility in foreign exchange rates; the Company's sensitivity to inflationary and deflationary pressures; the relatively low margins and economic sensitivity of the Company's business; the potential for disruptions in the Company's supply chain by circumstances beyond its control; the risk of interruption of supplies due to lack of long-term contracts, severe weather, 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; and the 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, 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 underlying operating performance of the Company and understanding 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.

Results and Strategic Progress

First Quarter Fiscal 2020

- Affirming full year guidance for net sales, Adjusted EPS, and Adjusted EBITDA
- Total sales increased $3.15 billion; legacy UNFI net sales increased 2.8% compared to first quarter fiscal 2019
- Continued to realize strong integration traction
    - Ceased operations in Tacoma, WA and transitioned customers into new Centralia, WA distribution center
    - Ceased operations in Auburn, WA and transitioned customers into expanded Ridgefield, WA distribution center
    - Ceased operations in Auburn, CA (Wellness distribution center) and transitioned customers into Gilroy, CA distribution center
    - Portland, OR distribution center consolidating into Centralia, WA over Q2-Q3, completing our Pacific Northwest strategy
- Repaid 364-day tranche of the term loan on its maturity date
- Experienced anticipated working capital build leading up to November / December holiday periods
    - Expect to reverse by end of Q2 (February 1, 2020)
- First quarter with regional sales structure offering our customers local representation of both our natural and conventional assortment
- New business pipeline remains robust

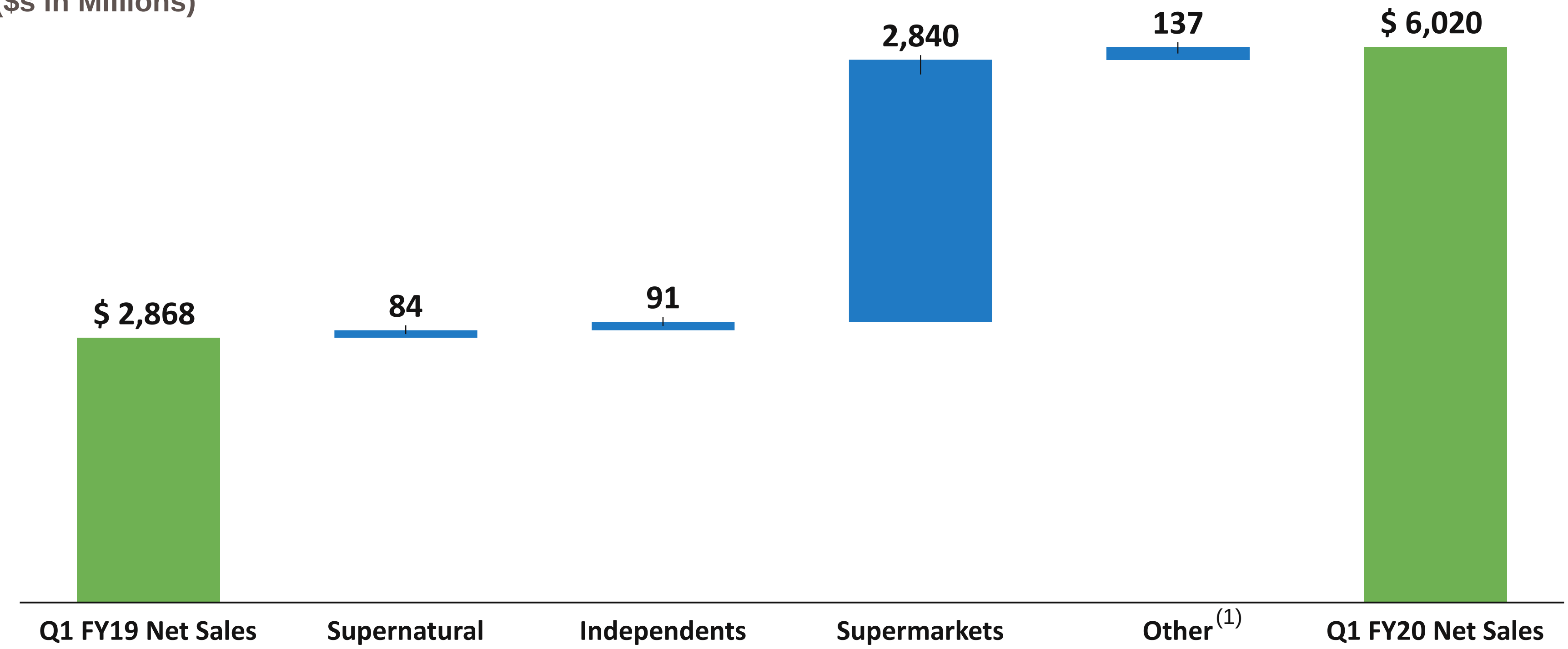
First Quarter Fiscal 2020

Financial Results

Sales: Q1 FY19 to Q1 FY20

Legacy UNFI YOY net sales +2.8%

($s in Millions)



(1) Other includes E-commerce, Food Service, and Natural Military.

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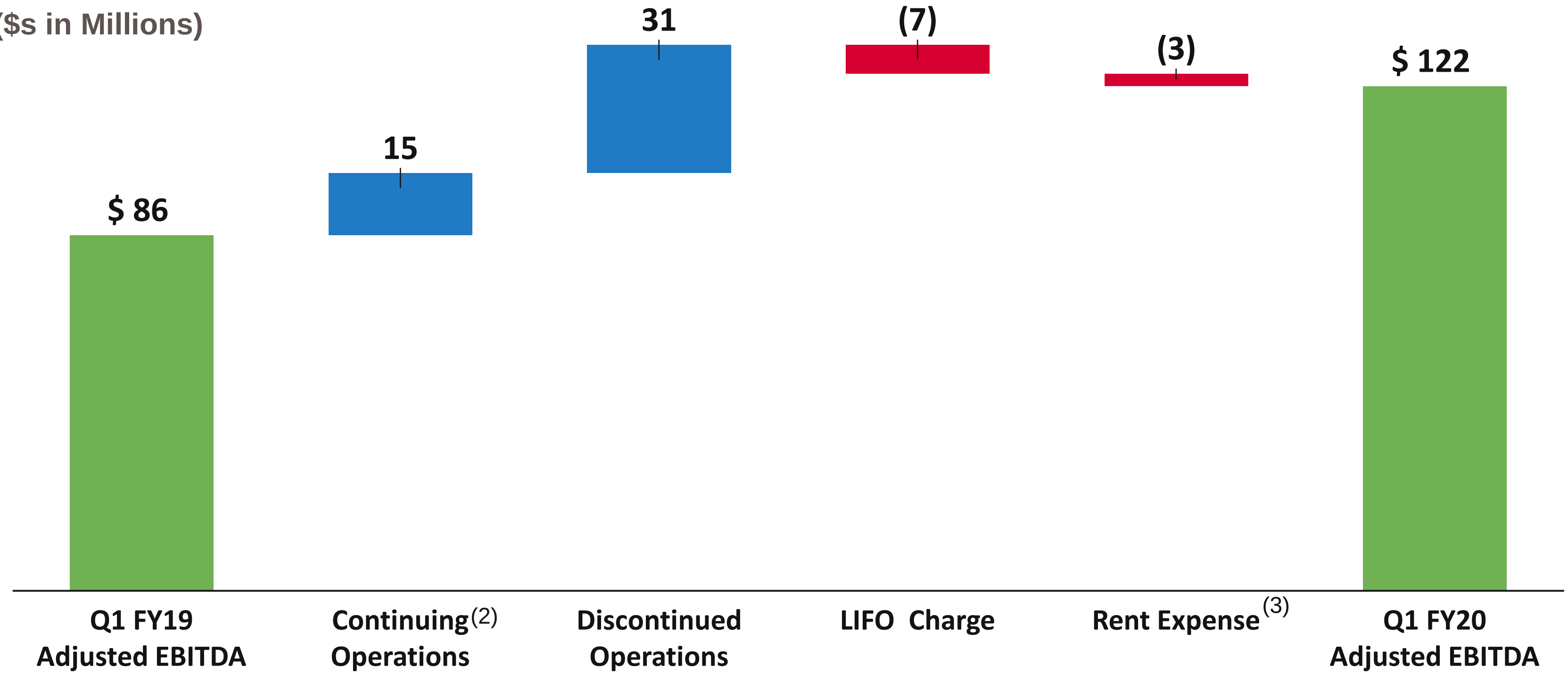
Adjusted EBITDA[1]: Q1 FY19 to Q1 FY20

First quarter Adjusted EBITDA increase driven by addition of SUPERVALU

($s in Millions)



(1) See slide 12 in the appendix for the Company's definition of Adjusted EBITDA and the reconciliation for the first quarter of fiscal 2019 and fiscal 2020.
(2) Includes $12.5 million of operating lease rent expense for the first quarter of fiscal 2020 related to stores within discontinued operations, but for which GAAP requires the expense to be included within continuing operations
(3) Incremental operating lease rent expense associated with adoption of new lease accounting standard ASC 842.

Q1 Capital Structure

Face value of net debt increased due to anticipated seasonal working capital needs

($'s in Millions)			Amount Outstanding				
	Maturity	Rate	Q1 FY19	Q2 FY19	Q3 FY19	Q4 FY19	Q1 FY20
Secured term loan B-1	October 2025	L + 4.25%	$ 1,800	$ 1,800	$ 1,795	$ 1,791	$ 1,787
Secured term loan B-2	October 2019	L + 2.00%	150	103	94	74	-
$2.1B ABL revolver	October 2023	L + 1.25% / Prime + 0.25%	1,327	1,242	1,217	1,080	1,318
Unsecured bonds & premium (SVU) (1)		7.41%	547	-	-	-	-
Capital leases	Various	Various	211	153	149	133	84
Equipment loans	Various	Various	42	40	46	57	58
Total Debt (face value)			**$ 4,077**	**$ 3,338**	**$ 3,301**	**$ 3,135**	**$ 3,247**
Restricted cash - SVU notes (2)			(566)	-	-	-	-
Balance sheet cash (3)			(59)	(54)	(41)	(45)	(43)
Total Debt Net of Cash (face value)			**$ 3,452**	**$ 3,284**	**$ 3,260**	**$ 3,090**	**$ 3,204**

Repaid 364-day tranche of the term loan on its maturity date; next meaningful maturity not until fiscal 2024 (4)

(1) Includes $530M of SVU note principal and $17M of prepayment premiums (classified as debt on Q1 FY19 balance sheet).

(2) There was an additional $19M of Restricted cash on the Q1 FY19 balance sheet set aside to pay accrued interest on the SVU notes redeemed on November 21, 2018.

(3) Includes cash of Discontinued Operations. There is no debt in Discontinued Operations.

(4) Refer to the company's public filings for descriptions of potential payments prior to the maturities stated above in certain limited circumstances.

Retail Divestiture

Two remaining banners being operated (reported in Discontinued Operations)

- Announced plan to sell 13 stores to three buyers and close four additional stores
- Marketing efforts continue for remaining stores not sold / closed – targeting completion of disposition transactions by end of fiscal 2020

- Divesting Cub banner in its entirety by the end of fiscal 2020 continues to be our goal

Net proceeds realized from banner divestitures will be used to reduce debt

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Fiscal 2020

Full Year Outlook

Full-Year Fiscal 2020 Outlook [1]

• Net sales (billions)	\$23.5 - \$24.3	(unchanged)
• Adjusted earnings per diluted share (EPS) [2]	\$1.22 - \$1.76	(unchanged)
• Adjusted EBITDA (millions) [2]	\$560 - \$600	(unchanged)

(1) The outlook provided above is for fiscal 2020. This outlook is forward-looking, is based on management's current estimates and expectations and is subject to a number of risks, including many that are outside of management's control.

(2) Please refer to the appendix for reconciliations of Adjusted EPS and Adjusted EBITDA to the most directly comparable financial measures calculated in accordance with GAAP.

Appendix

Reconciliation – Q1 FY20 and Q1 FY19 Adjusted EBITDA

($'s in Thousands)

(in thousands)	13-Week Period Ended November 2, 2019	13-Week Period Ended October 27, 2018
Net loss from continuing operations	$ (408,362)	$ (21,361)
Adjustments to continuing operations net loss:		
Total other expense, net	38,088	6,778
Benefit for income taxes	(73,753)	(4,255)
Depreciation and amortization	75,141	24,793
Share-based compensation	3,672	8,089
Restructuring, acquisition and integration related expenses	14,250	68,004
Goodwill and asset impairment charges	425,405	—
Note receivable charges	12,516	—
Inventory fair value adjustment	—	1,819
Legal reserve charge	1,850	—
Adjusted EBITDA of discontinued operations[(1)(2)]	32,887	2,327
Adjusted EBITDA	$ 121,694	$ 86,194
Income from discontinued operations, net of tax[(1)(2)]	$ 24,954	$ 2,070
Adjustments to discontinued operations net income:		
Less net income attributable to noncontrolling interests	(519)	(3)
Total other expense, net	(1,091)	(249)
Provision for income taxes	8,090	749
Other expense (income)	—	(140)
Share-based compensation	253	—
Restructuring, store closure and other charges, net[(3)]	1,200	(100)
Adjusted EBITDA of discontinued operations[(1)(2)]	$ 32,887	$ 2,327

(1) In the third quarter of fiscal 2019, UNFI expanded its GAAP reconciliations to provide additional supplemental information regarding its adjustments within discontinued operations to arrive at the consolidated measure of Adjusted EBITDA. Previously, these line items were presented together as Net (loss) income attributable to United Natural Foods, Inc. These lines have been separated to provide for a separate presentation of the adjustments included within Adjusted EBITDA related to discontinued operations. This additional information had no impact on the previously presented calculation and definition of Adjusted EBITDA. For additional information regarding our discontinued operations, refer to UNFI's Annual Report on Form 10-K for the year ended August 3, 2019.

(2) Adjusted EBITDA of discontinued operations excludes $12.5 million of operating lease rent expense for the first quarter of fiscal 2020 related to stores within discontinued operations, but for which GAAP requires the expense to be included within continuing operations, as we expect to remain primarily obligated under these leases. Due to these GAAP requirements to show rent expense, along with other administrative expenses of discontinued operations within continuing operations, UNFI believes the inclusion of discontinued operations results within Adjusted EBITDA provides UNFI and investors a meaningful measure of performance.

(3) Amounts represent store closure charges and costs, and operational wind-down and inventory charges related to discontinued operations.

The non-GAAP measure adjusted EBITDA is defined as a consolidated measure inclusive of continuing and discontinued operations results, which we reconcile by adding Net (loss) income from continuing operations, plus Total other expense, net and (Benefit) provision for income taxes, plus Depreciation and amortization calculated in accordance with GAAP, plus non-GAAP adjustments for Share-based compensation, Restructuring, acquisition and integration related expenses, goodwill and asset impairment charges, certain legal charges and gains, certain other non-cash charges or items, as determined by management, plus Adjusted EBITDA of discontinued calculated in manner consistent with the results of continuing operations outlined above.

Reconciliation – FY20 Outlook Adjusted Earnings Per Diluted Share (EPS)

	Fiscal Year Ending August 1, 2020	
	Low Range	High Range
Net loss attributable to United Natural Foods, Inc. per diluted common share	$ (6.60)	$ (6.06)
Goodwill and asset impairment charges	7.99	7.99
Restructuring, acquisition and integration related costs	1.05	1.05
Note receivable charges	0.24	0.24
Closed property depreciation and interest expense	0.08	0.08
Legal reserve charge	0.03	0.03
Discontinued operations store closures and other charges, net	0.01	0.01
Tax impact of adjustments and adjusted effective tax rate(3)	(1.58)	(1.58)
Adjusted net income per diluted common share(1)(2)	$ 1.22	$ 1.76

(1) Fiscal year ending August 1, 2020 Adjusted net income per diluted common share includes results reflected in our discontinued operations related to a full year of operations of a certain retail business. Management expects to divest that retail business during fiscal 2020 and will update guidance accordingly.

(2) The estimated adjusted effective tax rate excludes the potential impact of changes in uncertain tax positions, tax impacts related to ASU 2006-09 regarding stock compensation and valuation allowances. Refer to the below reconciliation for adjusted effective tax rate.

(3) The impact of the adjusted effective tax rate represents approximately $(0.35) of the $(1.58).

The measure adjusted earnings per diluted common share excludes goodwill and asset impairment benefits and charges, restructuring, acquisition, and integration related expenses, note receivable charges, closed property depreciation and interest, loss on debt extinguishment and interest on SUPERVALU's senior notes during their mandatory redemption period, inventory fair value adjustment expense related to the acquisition of SUPERVALU, a legal reserve adjustment, discontinued operations store closures and other charges, net, the impact of diluted shares and the tax impact of adjustments, which tax impact for fiscal 2020 outlook is calculated using the adjusted effective tax rate.

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Reconciliation – FY20 Outlook for Adjusted EBITDA

(in thousands)	Fiscal Year Ending August 1, 2020		
	Low Range	Estimate	High Range
Net loss attributable to United Natural Foods, Inc.	$ (353,000)		$ (324,000)
Benefit for income taxes	(52,000)		(41,000)
Restructuring, acquisition and integration related costs(1)		56,000	
Note receivable charges		13,000	
Legal reserve charge		2,000	
Discontinued operations store closures and other charges, net		1,000	
Goodwill and asset impairment charges		425,000	
Net interest expense		196,000	
Total other (income) expense, net		(2,000)	
Depreciation and amortization		268,000	
Share-based compensation		48,000	
Net periodic benefit income, excluding service costs		(42,000)	
Adjusted EBITDA(2)	$ 560,000		$ 600,000

(1) Excludes potential costs and charges associated with divestitures of retail banners.

(2) Fiscal year ending August 1, 2020 Adjusted EBITDA includes results reflected in our Discontinued Operations related to a full year of operations of a certain retail business. Management expects to divest that retail business during fiscal 2020 which could impact guidance.

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Reconciliation – Adjusted Effective Tax Rate

	Estimated Fiscal 2020	Actual Fiscal 2019
U.S. GAAP Effective Tax Rate	12 %	18 %
Discrete quarterly recognition of GAAP items[(1)]	1 %	(2)%
Tax impact of other charges and adjustments[(2)]	1 %	— %
Changes in valuation allowances[(3)]	(1)%	— %
Impact of Goodwill Impairment	15 %	11 %
Other	1 %	— %
Adjusted Effective Tax Rate	29 %	27 %

Note: As part of the year-end reconciliation, we will update the reconciliation of the GAAP effective tax rate for actual results.

(1) Reflects changes in tax laws, uncertain tax positions, the tax impacts related to the exercise of share-based compensation awards and any prior-year audit adjustments.

(2) Reflects the tax impact of pre-tax adjustments that are excluded from pre-tax income when calculating adjusted earnings per share.

(3) Reflects changes in valuation allowances related to changes in judgment regarding the realizability of deferred tax assets or current year operations.

The non-GAAP adjusted effective tax rate excludes the potential impact of changes to various uncertain tax positions and valuation allowances, as well as stock compensation accounting (ASU 2016-09).