A Taste of What’s Cooking at US Foods

Morgan Stanley Global Consumer & Retail Conference

November 15, 2017
Cautionary Statements

**Forward-Looking Statements**
This presentation contains “forward-looking statements” concerning, among other things, our liquidity, our possible or assumed future results of operations and our business strategies. Our actual results could differ materially from those expressed in the forward-looking statements. There are a number of risks, uncertainties, and other important factors, many of which are beyond our control, that could cause our actual results to differ materially from the forward-looking statements contained in this presentation.

For a detailed discussion of these risks and uncertainties, see the sections entitled “Risk Factors” and “Forward-Looking Statements” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2016, which was filed with the Securities and Exchange Commission and is available on our Investor Relations website and via EDGAR at www.sec.gov. The forward-looking statements contained in this presentation speak only as of the date of this presentation. We undertake no obligation, other than as may be required by law, to update or revise any forward-looking statements.
A look at US Foods

- 250,000 Customers
- 350,000 SKUs
- 5,000 Suppliers
- 25,000 Employees
- 4,000 Sales Associates
- 64 Distribution Facilities
- 6,000 Trucks

GREAT FOOD. MADE EASY.
RECALL: Leading industry position and differentiated strategy drive performance

ADVANTAGED POSITION IN AN ATTRACTIVE INDUSTRY
- Nearly $300 billion industry
- Top 10 distributors account for one-third of industry
- Growing and resilient; industry forecasted to grow at 1.7%

DIFFERENTIATED STRATEGY FOCUSED ON HIGHER MARGIN CUSTOMERS
- Focus on independent restaurants, healthcare and hospitality business
- Over 80% stick rate on innovative products
- 54% of independent restaurant sales via e-commerce platform
- Team based selling; powered by big data

FOCUSED ON TWO BIGGEST P&L GAP CLOSERS
- Private brands growing ~100bps per year
- Distribution roadmap starting to yield early results
Three questions we hear most

1. Volume Growth Drivers

2. Inflation Impact on Gross Profit

3. Capital Allocation Approach

GREAT FOOD. MADE EASY.
VOLUME: EBITDA growth driven by growing the most profitable customer types

**Reminder: Growth Focus**

<table>
<thead>
<tr>
<th>Customer Type</th>
<th>Contribution Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent Restaurants</td>
<td>2x Market</td>
</tr>
<tr>
<td>Healthcare/Hospitality</td>
<td>1-2x Market</td>
</tr>
<tr>
<td>National Chains</td>
<td>Targeted Exits</td>
</tr>
<tr>
<td>Other</td>
<td>Market</td>
</tr>
</tbody>
</table>

**Average Contribution Margin $ Per Case By Customer Type**

- Independent Restaurants
- Average
- National Chains
- Targeted Exits
INFLATION: Our focus on growing the most profitable customers and products continues to drive GP per case growth.

Q3 Adjusted Gross Profit
Indexed $ Per Case

GREAT FOOD. MADE EASY. * Customer and Product Mix
Gross Profit per case has expanded in both inflationary and deflationary environments.

Note: Charts sourced from company financial data. Inflation is based on cost of goods data.
Inflation helps about a third of our portfolio

### Pricing Types

- **Non Contract**
- **Contract**
- **Fixed Fee**

**Typically Canned, Dry and Frozen Grocery**

**Typically Beef, Poultry and Seafood**

### Contract Example

#### Percent Markup

<table>
<thead>
<tr>
<th></th>
<th>Original</th>
<th>Inflation</th>
<th>New</th>
</tr>
</thead>
<tbody>
<tr>
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<td>$3.00</td>
<td>$43.00</td>
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<tr>
<td>COGS</td>
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<td>$2.55</td>
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<td>Gross Profit $</td>
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<tr>
<td>Gross Profit %</td>
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<td>15%</td>
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#### Fixed Fee

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</table>
CAPITAL ALLOCATION: Reminder that strategy targets 3x leverage

1. Reinvest in Business
2. Strategic M&A
3. Debt Pay Down

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