



Barclays Global Consumer Staples Conference 2022
September 8, 2022



Forward Looking Statements

Statements made in this presentation or in our earnings call for the fourth quarter of fiscal year 2022 that look forward in time or that express management's beliefs, expectations or hopes are forward-looking statements under the Private Securities Litigation Reform Act of 1995. Such forward-looking statements reflect the views of management at the time such statements are made and are subject to a number of risks, uncertainties, estimates, and assumptions that may cause actual results to differ materially from current expectations. These statements include statements concerning: the effect, impact, potential duration or other implications of the COVID-19 pandemic and any expectations we may have with respect thereto; our expectations regarding future improvements in productivity; our belief that improvements in our organizational capabilities will deliver compelling outcomes in future periods; our expectations regarding improvements in international volume; our expectations that our transformational agenda will drive long-term growth; our expectations regarding the continuation of an inflationary environment; our expectations regarding improvements in the efficiency of our supply chain; our expectations regarding the impact of our Recipe for Growth strategy and the pace of progress in implementing the initiatives under that strategy; our expectations regarding Sysco's ability to outperform the market in future periods; our expectations that our strategic priorities will enable us to grow faster than the market; our expectations regarding our efforts to reduce overtime rates and the incremental investments in hiring; our expectations regarding the expansion of our driver academy and our belief that the academy will enable us to provide upward career path mobility for our warehouse associates and improve associate retention; our expectations regarding the benefits of the six-day delivery model; our plans to improve the capabilities of our sales team; our expectations regarding the impact of our growth initiatives and their ability to enable Sysco to consistently outperform the market; our expectations regarding the impact of the Coastal Companies acquisition on our business; our expectations regarding our ability to grow faster than the total market in fiscal 2023 and to exceed our growth target by the end of fiscal 2024; our ability to deliver against our strategic priorities; economic trends in the United States and abroad; our plans to make continued capital investments over the next three fiscal years in our technology, fleet and buildings; our belief that there is further opportunity for profit in the future; our future growth, including growth in sales and earnings per share; our expectations regarding profits and sales in fiscal 2023; the pace of implementation of our business transformation initiatives; our expectations regarding our balanced approach to capital allocation and rewarding our shareholders; our plans to improve associate retention, training and productivity; our belief that our Recipe for Growth transformation is creating capabilities that will help us profitably grow for the long term; our expectations regarding our long-term financial outlook; and our expectations regarding additional improvements from snap-back costs and productivity expenses during the fiscal fourth quarter.

It is important to note that actual results could differ materially from those projected in such forward-looking statements based on numerous factors, including those outside of Sysco's control. For more information concerning factors that could cause actual results to differ from those expressed or forecasted, see our Annual Report on Form 10-K for the year ended July 3, 2021, as filed with the SEC, and our subsequent filings with the SEC. We do not undertake to update our forward-looking statements, except as required by applicable law.



KEVIN HOURICAN

President & CEO

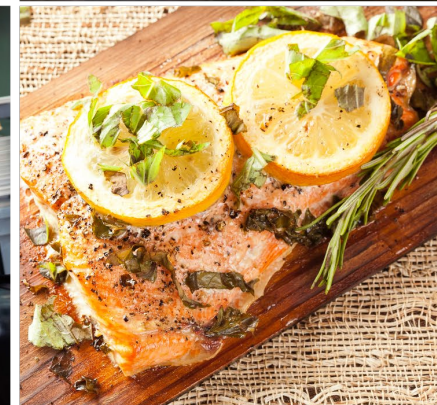




**World-class
Fleet**



**The Tools
You Need**

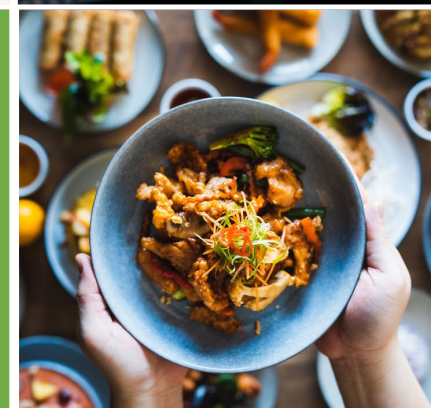


Global Scale



**Industry
Leading Service**

**Foodie
Experts**



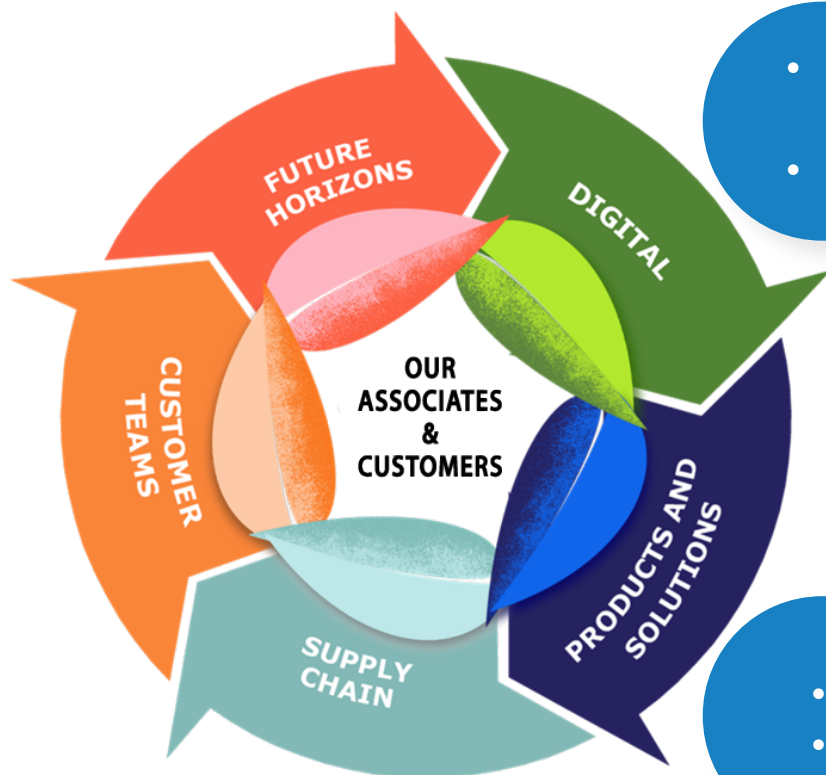
**On-trend
Products**

Food Supply Chain



Food Sales & Marketing

3 Key Takeaways



- Recipe For Growth Strategy is driving **profitable growth**
- **Market share growth at 1.35x in FY 23**

- **Reaffirming** FY 2023 guidance
- Net sales growth of at least 10% and adjusted EPS of \$4.09 - \$4.39, representing growth of 26% to 35%

- **Capital Allocation & Balance Sheet Strength**
- Disciplined with operating expenses

Supply Chain Health

Strategic Initiatives



Omni-channel fulfillment - Distributed Order Management System (DOMS) deployment



Full six-day deliveries (day balanced), combined with preferred four-day work week for associates



Improved driver experience - delivery ready loads, material handling equipment deployment, improved routing and technology



Best in class training - driver academy, supervisor academy, enhanced selector training

Operations 'Back-To-Basics'

- **Routing excellence** - pieces per truck / miles driven
- **Retention focus** - hiring, training, supervision (all in)
- **Improved scheduling management** - staffing to volume variability
- **Engineered labor standards** - updated to reflect improved processes and technology, coupled with improved associate coaching



Commercial Enhancements Over the Past Year



Grew >1.3x the U.S. market for FY 22-*Plans to Grow 1.35x for FY 23 and 1.5x by end of FY 24*



Successfully closed on three M&A transactions-*Expand Italian Platform*



Implemented our pricing tool-*Improved Technology to be "Right on Price"*



Enhanced our digital capabilities-*Update Shop Platform & Personalization*



Invested in staffing levels and inventory-*Enhance Inventory Planning*



Advanced our Omnichannel fulfillment capabilities-*Initial launch in FY 23*



Improved our selling processes, technology, and associate training-*Expand best in class training and improve driver experience*



Investment Thesis

Sysco is Leading the Industry and Accelerating Growth



Expect to grow **1.5X faster than the total market** by the end of fiscal 2024

LT financial guidance includes **significant sales and EPS growth**

17% share of a \$300B+ U.S. market and currently driving further share gains



Fortress Balance Sheet: only Investment-Grade Food Service Distributor

Compelling **shareholder returns** (dividend growth for 53 years and share buybacks)

\$750+ million cost-out target driving efficiency



CSR: Tangible **Science-Based Climate Goal**

Our mission, identity and values form our commitment to being **a purpose-driven company**

Industry leading service levels & investing in enhanced capabilities



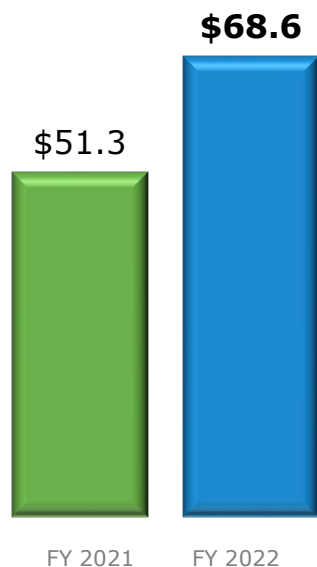


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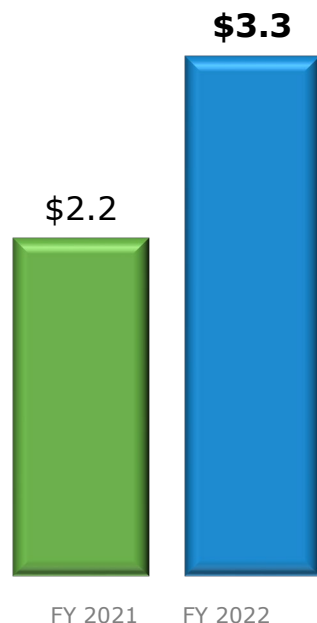
EVP & CFO

FY22 Consolidated Financial Results

Net Sales (billions)

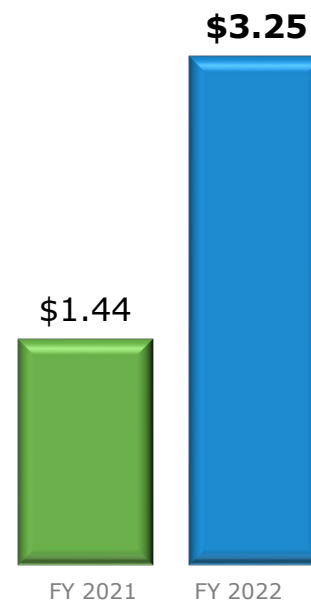


Adj. EBITDA¹ (billions)



FY22 GAAP Operating Income
+62.7% to \$2.3B

Adj. EPS¹



Overview

- FY sales grew 36.9% on a comparable basis vs. fiscal 2021.
- Adj. gross profit of \$12.4 billion increased 32.5% vs. prior year
- Adj. EBITDA grew 58.5% on a comparable basis vs. fiscal 2021
- Adj. EPS more than doubled vs. prior year

¹ See Non-GAAP reconciliations at the end of the presentation.

Capital Structure and Allocation

Investment Priority

Progress

1

Invest for Growth

- Continued capital investments planned in our technology, fleet and buildings
- Successfully closed 3 Specialty acquisitions in FY22

2

Maintain a Strong Balance Sheet

- Maintained strong investment grade rating and improved outlook at Moody's
- Ended FY22 at 2.9x Net Debt to EBITDA, progressing toward our leverage target of 2.5x - 2.75x
- Paid down \$450 million of debt during Q4 FY22

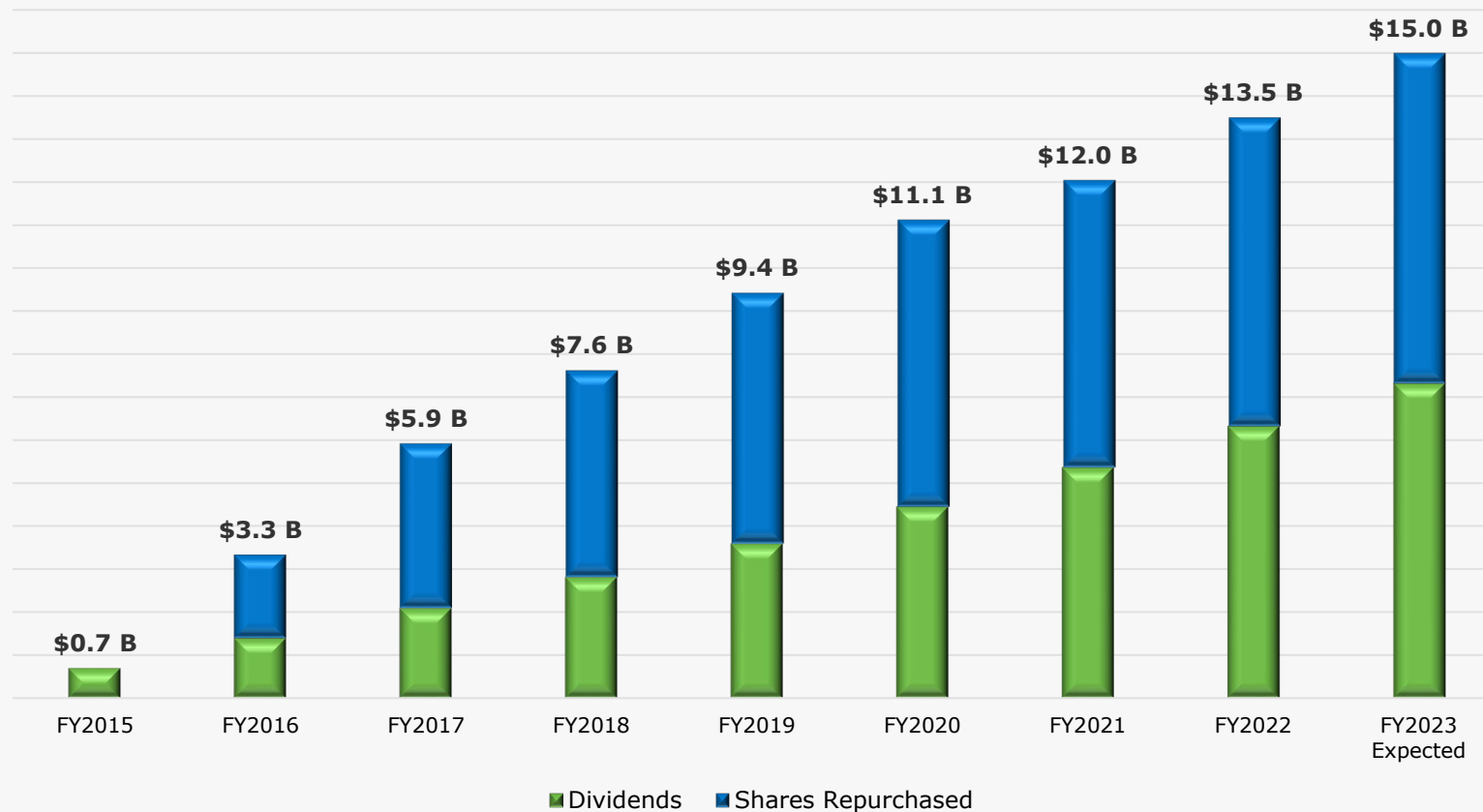
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Shareholder Return

- Returned \$1.5 billion to shareholders via \$959 million of dividends and \$500 million of share repurchases in FY22
- Board approved an \$0.08 increase to annual dividend for FY23

Sysco Has Consistently Increased Returns to Shareholders

Cumulative Cash Returned to Shareholders



Expecting Over \$15 Billion of Cash Return to Shareholders



We Are Upbeat About Our Business in Fiscal 2023



Expect to grow at least 1.35x faster than the U.S. foodservice market, fueling top-line growth of at least 10% over FY22



Reaffirming our expected adjusted EPS for FY23 of \$4.09 - \$4.39



Disciplined with our balanced approach to capital allocation and rewarding our shareholders



Q & A

Sysco[®]
At the heart of
food and service

NON-GAAP RECONCILIATIONS



Impact of Certain Items

Our discussion of our results includes certain non-GAAP financial measures, such as EBITDA and adjusted EBITDA, that we believe provide important perspective with respect to underlying business trends. Other than free cash flow, any non-GAAP financial measures will be denoted as adjusted measures to remove the impact of (A) restructuring and transformational project costs consisting of: (1) restructuring charges, (2) expenses associated with our various transformation initiatives and (3) facility closure and severance charges; acquisition-related costs consisting of: (1) intangible amortization expense and (B) acquisition costs and due diligence costs related to our acquisitions; and (C) the reduction of bad debt expense previously recognized in fiscal 2020 due to the impact of the COVID-19 pandemic on the collectability of our pre-pandemic trade receivable balances. Our results for fiscal 2022 were also impacted by: (1) a write-down of COVID-related personal protection equipment inventory due to the reduction in the net realizable value of inventory, (2) debt extinguishment costs and (3) the increase in reserves for uncertain tax positions. Our results for fiscal 2021 were also impacted by losses on the sale of businesses.

The results of our foreign operations can be impacted due to changes in exchange rates applicable in converting local currencies to U.S. dollars. We measure our total Sysco and our International Foodservice Operations results on a constant currency basis. Constant currency operating results are calculated by translating current-period local currency operating results with the currency exchange rates used to translate the financial statements in the comparable prior-year period to determine what the current-period U.S. dollar operating results would have been if the currency exchange rate had not changed from the comparable prior-year period.

Management believes that adjusting its operating expenses, operating income, net earnings and diluted earnings per share to remove these Certain Items and presenting its International Foodservice Operations results on a constant currency basis, provides an important perspective with respect to our underlying business trends and results and provides meaningful supplemental information to both management and investors that (1) is indicative of the performance of the company's underlying operations and (2) facilitates comparisons on a year-over-year basis.

Sysco has a history of growth through acquisitions and excludes from its non-GAAP financial measures the impact of acquisition-related intangible amortization, acquisition costs and due-diligence costs for those acquisitions. We believe this approach significantly enhances the comparability of Sysco's results for fiscal 2022 and fiscal 2021.

Set forth below is a reconciliation of sales, operating expenses, operating income, other (income) expense, net earnings and diluted earnings per share to adjusted results for these measures for the periods presented. Individual components of diluted earnings per share may not add up to the total presented due to rounding. Adjusted diluted earnings per share is calculated using adjusted net earnings divided by diluted shares outstanding.



Sysco Corporation and its Consolidated Subsidiaries

Non-GAAP Reconciliation (Unaudited)

Impact of Certain Items, YTD FY22 vs. FY21

(Dollars in Thousands, Except for Share and Per Share Data)

	52-Week Period Ended Jul. 2, 2022	53-Week Period Ended Jul. 3, 2021	Change in Dollars	% Change
Sales (GAAP) (A)	\$ 68,636,146	\$ 51,297,843	\$ 17,338,303	33.8%
Impact of currency fluctuations (1)	178,629	-	178,629	0.3%
Comparable sales using a constant currency basis (Non-GAAP)	<u>68,814,775</u>	<u>51,297,843</u>	<u>17,516,932</u>	<u>34.1%</u>
Less 1 week fourth quarter sales (B)	-	(1,152,635)	1,152,635	3.1%
Comparable sales using a constant currency and a 52 week basis (Non-GAAP)	<u>68,814,775</u>	<u>50,145,208</u>	<u>18,669,567</u>	<u>37.2%</u>
Comparable sales using a 52 week basis (Non-GAAP) (C)(D)	<u>\$ 68,636,146</u>	<u>\$ 50,145,208</u>	<u>\$ 18,490,938</u>	<u>36.9%</u>
Cost of sales	\$ 56,315,622	\$ 41,941,094	\$ 14,374,528	34.3%
Impact of inventory valuation adjustment (2)	(73,224)	-	(73,224)	-0.2%
Cost of sales adjusted for Certain Items (Non-GAAP)	<u>56,242,398</u>	<u>41,941,094</u>	<u>14,301,304</u>	<u>34.1%</u>
Less 1 week fourth quarter cost of sales	-	(944,365)	944,365	3.1%
Cost of sales adjusted for Certain Items using a 52 week basis (Non-GAAP)	<u>\$ 56,242,398</u>	<u>\$ 40,996,729</u>	<u>\$ 15,245,669</u>	<u>37.2%</u>
Gross Profit (GAAP)	\$ 12,320,524	\$ 9,356,749	\$ 2,963,775	31.7%
Impact of inventory valuation adjustment (2)	73,224	-	73,224	0.8%
Comparable gross profit adjusted for Certain Items (Non-GAAP) (A)	<u>12,393,748</u>	<u>9,356,749</u>	<u>3,036,999</u>	<u>32.5%</u>
Impact of currency fluctuations (1)	50,131	-	50,131	0.5%
Comparable gross profit adjusted for Certain Items using a constant currency basis (Non-GAAP)	<u>12,443,879</u>	<u>9,356,749</u>	<u>3,087,130</u>	<u>33.0%</u>
Less 1 week fourth quarter gross profit (B)	-	(208,270)	208,270	3.0%
Comparable gross profit adjusted for Certain Items using a constant currency and a 52 week basis	<u>12,443,879</u>	<u>9,148,479</u>	<u>3,295,400</u>	<u>36.0%</u>
Comparable gross profit adjusted for Certain Items using a 52 week basis (Non-GAAP) (C)	<u>\$ 12,393,748</u>	<u>\$ 9,148,479</u>	<u>\$ 3,245,269</u>	<u>35.5%</u>
Gross margin (GAAP)	17.95%	18.24%		-29 bps
Impact of inventory valuation adjustment (2)	0.11%	0.00%		11 bps
Comparable Gross margin adjusted for Certain Items (Non-GAAP) (A)	<u>18.06%</u>	<u>18.24%</u>		<u>-18 bps</u>
Impact of currency fluctuations (1)	0.02%	0.00%		2 bps
Comparable Gross margin adjusted for Certain Items using a constant currency basis (Non-GAAP)	<u>18.08%</u>	<u>18.24%</u>		<u>-16 bps</u>
Less 1 week fourth quarter gross margin (B)	0.00%	0.00%		0 bps
Comparable Gross margin adjusted for Certain Items using a constant currency and a 52 week basis	<u>18.08%</u>	<u>18.24%</u>		<u>-16 bps</u>
Comparable Gross margin adjusted for Certain Items using a 52 week basis (Non-GAAP) (C)	<u>18.06%</u>	<u>18.24%</u>		<u>-18 bps</u>
Operating expenses (GAAP)	\$ 9,981,489	\$ 7,919,507	\$ 2,061,982	26.0%
Impact of restructuring and transformational project costs (3)	(109,532)	(128,187)	18,655	14.6%
Impact of acquisition-related costs (4)	(139,173)	(79,540)	(59,633)	-75.0%
Impact of bad debt reserve adjustments (5)	27,999	184,813	(156,814)	-84.9%
Operating expenses adjusted for Certain Items (Non-GAAP) (A)	<u>9,760,783</u>	<u>7,896,593</u>	<u>1,864,190</u>	<u>23.6%</u>
Impact of currency fluctuations (1)	50,908	-	50,908	0.7%
Comparable operating expenses adjusted for Certain Items using a constant currency basis (Non-GAAP)	<u>9,811,691</u>	<u>7,896,593</u>	<u>1,915,098</u>	<u>24.3%</u>
Less 1 week fourth quarter operating expense (B)	-	(165,043)	165,043	2.6%
Comparable operating expenses adjusted for Certain Items using a constant currency and a 52 week basis	<u>9,811,691</u>	<u>7,731,550</u>	<u>2,080,141</u>	<u>26.9%</u>
Comparable operating expenses adjusted for Certain Items using a 52 week basis (Non-GAAP) (C)	<u>\$ 9,760,783</u>	<u>\$ 7,731,550</u>	<u>\$ 2,029,233</u>	<u>26.2%</u>
Operating expense as a percentage of sales (GAAP)	14.54%	15.44%		-90 bps
Impact of certain items adjustments	-0.32%	-0.05%		-27 bps
Adjusted operating expense as a percentage of sales (Non-GAAP)	<u>14.22%</u>	<u>15.39%</u>		<u>-117 bps</u>
Operating income (GAAP)	\$ 2,339,035	\$ 1,437,242	\$ 901,793	62.7%
Impact of inventory valuation adjustment (2)	73,224	-	73,224	NM
Impact of restructuring and transformational project costs (3)	109,532	128,187	(18,655)	-14.6%
Impact of acquisition-related costs (4)	139,173	79,540	59,633	75.0%
Impact of bad debt reserve adjustments (5)	(27,999)	(184,813)	156,814	84.9%
Operating income adjusted for Certain Items (Non-GAAP) (A)	<u>2,632,965</u>	<u>1,460,156</u>	<u>1,172,809</u>	<u>80.3%</u>
Impact of currency fluctuations (1)	(776)	-	(776)	0.0%
Comparable operating income adjusted for Certain Items using a constant currency basis (Non-GAAP)	<u>2,632,189</u>	<u>1,460,156</u>	<u>1,172,033</u>	<u>80.3%</u>
Less 1 week fourth quarter operating income (B)	-	(43,227)	43,227	5.5%
Comparable operating income adjusted for Certain Items using a constant currency and a 52 week basis	<u>2,632,189</u>	<u>1,416,929</u>	<u>1,215,260</u>	<u>85.8%</u>
Comparable operating income adjusted for Certain Items using a 52 week basis (Non-GAAP) (C)(E)	<u>\$ 2,632,965</u>	<u>\$ 1,416,929</u>	<u>\$ 1,216,036</u>	<u>85.8%</u>



Sysco Corporation and its Consolidated Subsidiaries

Non-GAAP Reconciliation (Unaudited)

Impact of Certain Items, YTD FY22 vs. FY21

(Dollars in Thousands, Except for Share and Per Share Data) continued

Operating margin (GAAP)	3.41%	2.80%	61 bps	
Operating margin adjusted for Certain Items (Non-GAAP)	3.84%	2.85%	99 bps	
Operating margin adjusted for Certain Items using a constant currency basis (Non-GAAP)	3.83%	2.85%	98 bps	
Operating margin adjusted for Certain Items using a constant currency and a 52 week basis (Non-GAAP)	3.83%	2.83%	100 bps	
Operating margin adjusted for Certain Items on a constant currency and a 52 week basis (Non-GAAP)	3.84%	2.83%	101 bps	
Interest expense (GAAP)	\$ 623,643	\$ 880,137	\$ (256,494)	-29.1%
Impact of loss on extinguishment of debt	(115,603)	(293,897)	178,294	60.7%
Interest expense adjusted for Certain Items (Non-GAAP)	508,040	586,240	(78,200)	-13.3%
Less 1 week fourth quarter interest expense	-	(10,518)	10,518	1.5%
Interest expense adjusted for Certain Items using a 52 week basis (Non-GAAP)	\$ 508,040	\$ 575,722	\$ (67,682)	-11.8%
Other income (GAAP)	\$ (31,381)	\$ (27,623)	\$ (3,758)	-13.6%
Impact of other non-routine gains and losses	2,057	(10,460)	12,517	119.7%
Other income adjusted for Certain Items (Non-GAAP)	(29,324)	(38,083)	8,759	23.0%
Less 1 week fourth quarter other income	-	79	(79)	-0.2%
Other income adjusted for Certain Items using a 52 week basis (Non-GAAP)	\$ (29,324)	\$ (38,004)	\$ 8,680	22.8%
Net earnings (GAAP)	\$ 1,358,768	\$ 524,209	\$ 834,559	159.2%
Impact of inventory valuation adjustment (2)	73,224	-	73,224	NM
Impact of restructuring and transformational project costs (3)	109,532	128,187	(18,655)	-14.6%
Impact of acquisition-related costs (4)	139,173	79,540	59,633	75.0%
Impact of bad debt reserve adjustments (5)	(27,999)	(184,813)	156,814	84.9%
Impact of loss on extinguishment of debt	115,603	293,897	(178,294)	-60.7%
Impact of other non-routine gains and losses	(2,057)	10,460	(12,517)	-119.7%
Tax impact of inventory valuation adjustment (6)	(18,902)	-	(18,902)	NM
Tax impact of restructuring and transformational project costs (6)	(28,274)	(32,416)	4,142	12.8%
Tax impact of acquisition-related costs (6)	(35,926)	(19,675)	(16,251)	-82.6%
Tax Impact of bad debt reserve adjustments (6)	7,228	46,260	(39,032)	-84.4%
Tax impact of loss on extinguishment of debt (6)	(29,841)	(79,323)	49,482	62.4%
Tax impact of other non-routine gains and losses (6)	531	(2,692)	3,223	119.7%
Impact of adjustments to uncertain tax positions	12,000	-	12,000	NM
Impact of foreign tax rate change	-	(23,197)	23,197	NM
Net earnings adjusted for Certain Items (Non-GAAP)	1,673,060	740,437	932,623	126.0%
Less 1 week fourth quarter net earnings	-	(26,165)	26,165	8.2%
Net earnings adjusted for Certain Items using a 52 week basis (Non-GAAP)	\$ 1,673,060	\$ 714,272	\$ 958,788	134.2%
Diluted earnings per share (GAAP)	\$ 2.64	\$ 1.02	\$ 1.62	158.8%
Impact of inventory valuation adjustment (2)	0.14	-	0.14	NM
Impact of restructuring and transformational project costs (3)	0.21	0.25	(0.04)	-16.0%
Impact of acquisition-related costs (4)	0.27	0.15	0.12	80.0%
Impact of bad debt reserve adjustments (5)	(0.05)	(0.36)	0.31	86.1%
Impact of loss on extinguishment of debt	0.22	0.57	(0.35)	-61.4%
Impact of other non-routine gains and losses	-	0.02	(0.02)	NM
Tax impact of inventory valuation adjustment (6)	(0.04)	-	(0.04)	NM
Tax impact of restructuring and transformational project costs (6)	(0.06)	(0.06)	-	0.0%
Tax impact of acquisition-related costs (6)	(0.07)	(0.04)	(0.03)	-75.0%
Tax Impact of bad debt reserve adjustments (6)	0.01	0.09	(0.08)	-88.9%
Tax impact of loss on extinguishment of debt (6)	(0.06)	(0.15)	0.09	60.0%
Tax impact of other non-routine gains and losses (6)	-	(0.01)	0.01	NM
Impact of adjustments to uncertain tax positions	0.02	-	0.02	NM
Impact of foreign tax rate change	-	(0.05)	0.05	NM
Diluted earnings per share adjusted for Certain Items (Non-GAAP) (7)	3.25	1.44	1.81	125.7%
Less 1 week fourth quarter earnings per share	-	(0.05)	0.05	8.4%
Diluted earnings per share adjusted for Certain Items using a 52 week basis (Non-GAAP)	\$ 3.25	\$ 1.39	\$ 1.86	133.8%
Diluted shares outstanding	514,005,827	513,555,088		

For purposes of comparable items using a 52 week basis, items are mathematically calculated using the row labels as follows: A+B=C and E/D=F

(1) Represents a constant currency adjustment, which eliminates the impact of foreign currency fluctuations on the current year results.

(2) Represents a write-down of COVID-related personal protection equipment inventory due to the reduction in the net realizable value of inventory.

(3) Fiscal 2022 includes \$61 million related to restructuring, severance, and facility closure charges and \$49 million related to various transformation initiative costs, primarily consisting of changes to our business technology strategy. Fiscal 2021 includes \$72 million related to restructuring charges and \$56 million related to various transformation initiative costs, primarily consisting of changes to our business technology strategy.

(4) Fiscal 2022 includes \$106 million of intangible amortization expense and \$33 million in acquisition and due diligence costs. Fiscal 2021 represents primarily intangible amortization expense.

(5) Fiscal 2022 and fiscal 2021 represent the reduction of bad debt charges previously taken on pre-pandemic trade receivable balances in fiscal 2020.

(6) The tax impact of adjustments for Certain Items is calculated by multiplying the pretax impact of each Certain Item by the statutory rates in effect for each jurisdiction where the Certain Item was incurred.

(7) Individual components of diluted earnings per share may not add up to the total presented due to rounding. Total diluted earnings per share is calculated using adjusted net earnings divided by diluted shares

NM represents that the percentage change is not meaningful.

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)

EBITDA represents net earnings plus (i) interest expense, (ii) income tax expense and benefit, (iii) depreciation and (iv) amortization. The net earnings component of our EBITDA calculation is impacted by Certain Items that we do not consider representative of our underlying performance. As a result, in the non-GAAP reconciliations below for each period presented, adjusted EBITDA is computed as EBITDA plus the impact of Certain Items, excluding certain items related to interest expense, income taxes, depreciation and amortization. Sysco's management considers growth in this metric to be a measure of overall financial performance that provides useful information to management and investors about the profitability of the business, as it facilitates comparison of performance on a consistent basis from period to period by providing a measurement of recurring factors and trends affecting our business. Additionally, it is a commonly used component metric used to inform on capital structure decisions. Adjusted EBITDA should not be used as a substitute for the most comparable GAAP measure in assessing the company's financial performance for the periods presented. An analysis of any non-GAAP financial measure should be used in conjunction with results presented in accordance with GAAP. In the tables that follow, adjusted EBITDA for each period presented is reconciled to net earnings.



Sysco Corporation and its Consolidated Subsidiaries
Non-GAAP Reconciliation (Unaudited)
Impact of Certain Items on Earnings Before Interest, Taxes, Depreciation and Amortization (FY22 vs. FY21)
(In Thousands)

	52-Week Period Ended Jul. 2, 2022	53-Week Period Ended Jul. 3, 2021	Change in Dollars	%/bps Change
Net earnings (GAAP)	\$ 1,358,768	\$ 524,209	\$ 834,559	159.2%
Interest (GAAP)	623,643	880,137	(256,494)	-29.1%
Income taxes (GAAP)	388,005	60,519	327,486	NM
Depreciation and amortization (GAAP)	772,881	737,916	34,965	4.7%
EBITDA (Non-GAAP)	<u>\$ 3,143,297</u>	<u>\$ 2,202,781</u>	<u>\$ 940,516</u>	<u>42.7%</u>
Less 1 week fourth quarter EBITDA	-	(55,615)	55,615	3.7%
EBITDA using a 52 week basis (Non-GAAP)	<u>\$ 3,143,297</u>	<u>\$ 2,147,166</u>	<u>\$ 996,131</u>	<u>46.4%</u>
Certain Item adjustments:				
Impact of inventory valuation adjustment (1)	73,224	-	73,224	NM
Impact of restructuring and transformational project costs (2)	108,148	120,693	(12,545)	-10.4%
Impact of acquisition-related costs (3)	32,738	5,867	26,871	NM
Impact of bad debt reserve adjustments (4)	(27,999)	(184,813)	156,814	84.9%
Impact of non-routine gains and losses	(2,057)	10,460	(12,517)	-119.7%
EBITDA adjusted for Certain Items (Non-GAAP) (5)	<u>\$ 3,327,351</u>	<u>\$ 2,154,988</u>	<u>\$ 1,172,363</u>	<u>54.4%</u>
Less 1 week fourth quarter adjusted EBITDA	-	(55,793)	55,793	4.1%
EBITDA adjusted for Certain Items using a 52 week basis (Non-GAAP) (5)	<u>\$ 3,327,351</u>	<u>\$ 2,099,195</u>	<u>\$ 1,228,156</u>	<u>58.5%</u>

(1) Represents a write-down of COVID-related personal protection equipment inventory due to the reduction in the net realizable value of inventory.

(2) Includes various transformation initiative costs, primarily consisting of changes to our business technology strategy, excluding charges related to accelerated depreciation.

(3) Fiscal 2022 includes acquisition and due diligence costs.

(4) Fiscal 2022 and fiscal 2021 represent the reduction of bad debt charges previously taken on pre-pandemic trade receivable balances in fiscal 2020.

(5) In arriving at adjusted EBITDA, Sysco does not adjust out interest income of \$7 million and \$15 million or non-cash stock compensation expense of \$122 million and \$96 million for fiscal 2022 and fiscal 2021, respectively.

NM represents that the percentage change is not meaningful.



Sysco Corporation and its Consolidated Subsidiaries
Non-GAAP Reconciliation (Unaudited)
Net Debt to Adjusted EBITDA
(In Thousands)

	52-Week Period Ended Jul. 2, 2022	
Current Maturities of long-term debt	\$	580,611
Long-term debt		10,066,931
Total Debt		<u>10,647,542</u>
Cash & Cash Equivalents		(867,086)
Net Debt	\$	<u>9,780,456</u>
 Adj. EBITDA	 \$	 3,327,351
 Debt/EBITDA Ratio		 3.2
Net Debt/EBITDA Ratio		2.9



Net Debt to Adjusted EBITDA Leverage Ratio Targets

We expect to achieve our net debt to adjusted EBITDA leverage ratio forecast in fiscal 2023. We cannot predict with certainty when we will achieve these results or whether the calculation of our EBITDA will be on an adjusted basis in future periods to exclude the effect of certain items. Due to these uncertainties, we cannot provide a quantitative reconciliation of these potentially non-GAAP measures to the most directly comparable GAAP measure without unreasonable effort. However, we expect to calculate these adjusted results, if applicable, in the same manner as the reconciliations provided for the historical periods that are presented herein.

Form of calculation:

Notes payable

Current maturities of long-term debt

Long term debt

Total Debt (GAAP)

Less finance leases and other debt

Less book value in excess of face value of senior debt

Total Debt adjusted for finance leases, other debt and excess book value (Non-GAAP)

Less cash and cash equivalents

Net debt

Net earnings (GAAP)

Interest (GAAP)

Income taxes (GAAP)

Depreciation and amortization (GAAP)

EBITDA (Non-GAAP)

Certain Item adjustments:

Impact of restructuring and transformational project costs

Impact of acquisition-related intangible amortization

Impact of bad debt reserve adjustments

EBITDA adjusted for Certain Items (Non-GAAP)

Net Debt to Adjusted EBITDA Ratio



Projected Adjusted EPS Guidance

Adjusted earnings per share is a non-GAAP financial measure; however, we cannot predict with certainty the particular certain items that would be excluded from the calculation of this measure for future periods. Due to these uncertainties, we cannot provide a quantitative reconciliation of this non-GAAP financial measure to the most directly comparable GAAP financial measure without unreasonable effort. However, we expect to calculate adjusted earnings per share for future periods in the same manner as the reconciliations provided for the historical periods herein.



Projected Adjusted EBITDA Guidance

Adjusted EBITDA is a non-GAAP financial measure; however, we cannot predict with certainty the particular certain items that would be excluded from the calculation of this measure for future periods. Due to these uncertainties, we cannot provide a quantitative reconciliation of this non-GAAP financial measure to the most directly comparable GAAP financial measure without unreasonable effort. However, we expect to calculate adjusted EBITDA for future periods in the same manner as the reconciliations provided for the historical periods herein.

