Sysco®

At the heart of food and service

Deutsche Bank Global Consumer Conference 2025

June 3, 2025

Forward-Looking Statements

Statements made in this presentation 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. These statements include statements concerning: our expectations regarding future improvements in productivity; our belief that improvements in our organizational capabilities will deliver compelling outcomes in future periods; our expectations that our transformational agenda will drive long-term growth; our expectations regarding foot traffic and volume growth and benefits to gross margins; 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 plans to improve the capabilities of our sales team; our plans to refine our engineering labor standards; our ability to deliver against our strategic priorities, including strategic sourcing efforts; economic trends in the United States and abroad; our belief that there is further opportunity for profit in the future; our future growth, including growth in sales and earnings per share; the pace of implementation of our business transformation initiatives; our expectations regarding our ability to execute our balanced approach to capital allocation and rewarding our shareholders, including the size and timing of our share repurchase plan; our plans to improve colleague hiring, retention, training and productivity; our expectations regarding our long-term financial outlook; our expectations of the effects labor harmony will have on sales and case volume, as well as mitigation expenses; our expectations for customer acquisition and retention; our expectations regarding the effectiveness of our Global Support Center expense control measures; and our expectations regarding the growth and resilience of our food away from home market.

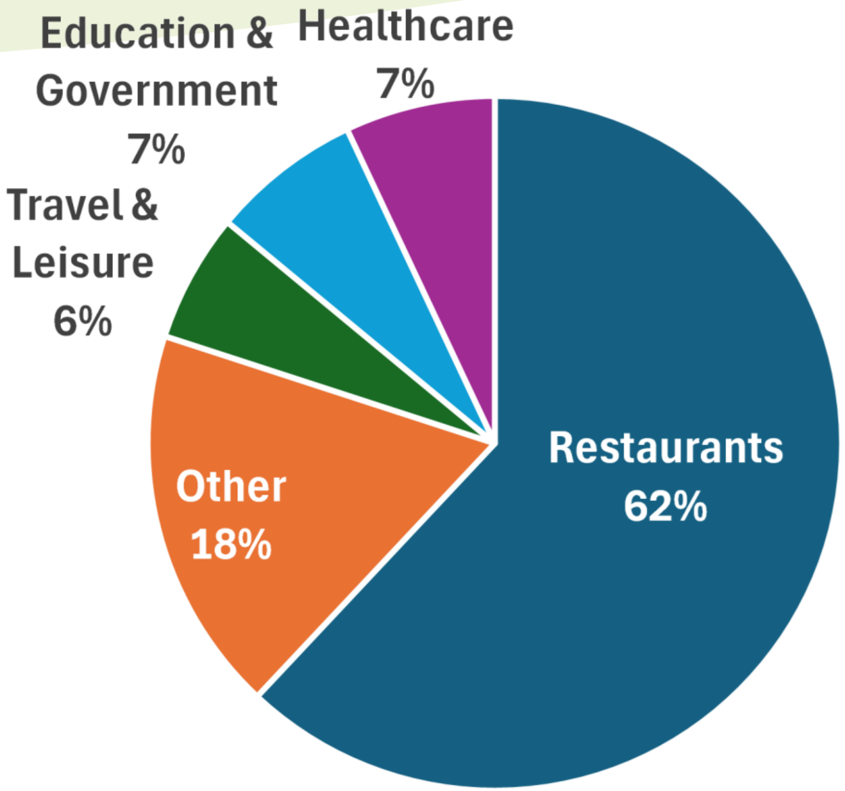
It is important to note that actual results could differ materially from those estimated in or implied by such forward-looking statements based on numerous factors, including those outside of Sysco's control. Such forward-looking statements reflect the views of management at the time such statements are made and are subject to a number of risks, uncertainties, estimates, and assumptions. Risks and uncertainties include without limitation: the impact of geopolitical, economic and market conditions and developments, including changes in global trade policies and tariffs; risks related to our business initiatives; periods of significant or prolonged inflation or deflation and their impact on our product costs and profitability generally; risks related to our efforts to implement our transformation initiatives and meet our other long-term strategic objectives; risk of interruption of supplies and increase in product costs; risks related to changes in consumer eating habits; and impact of natural disasters or adverse weather conditions, public health crises, adverse publicity or lack of confidence in our products, and product liability claims. Therefore, you should not place undue reliance on any of the forward-looking statements contained herein. For more information on these risks and other 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 June 29, 2024, 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

CHAIR OF THE BOARD AND CHIEF EXECUTIVE OFFICER

Sysco Business at a Glance

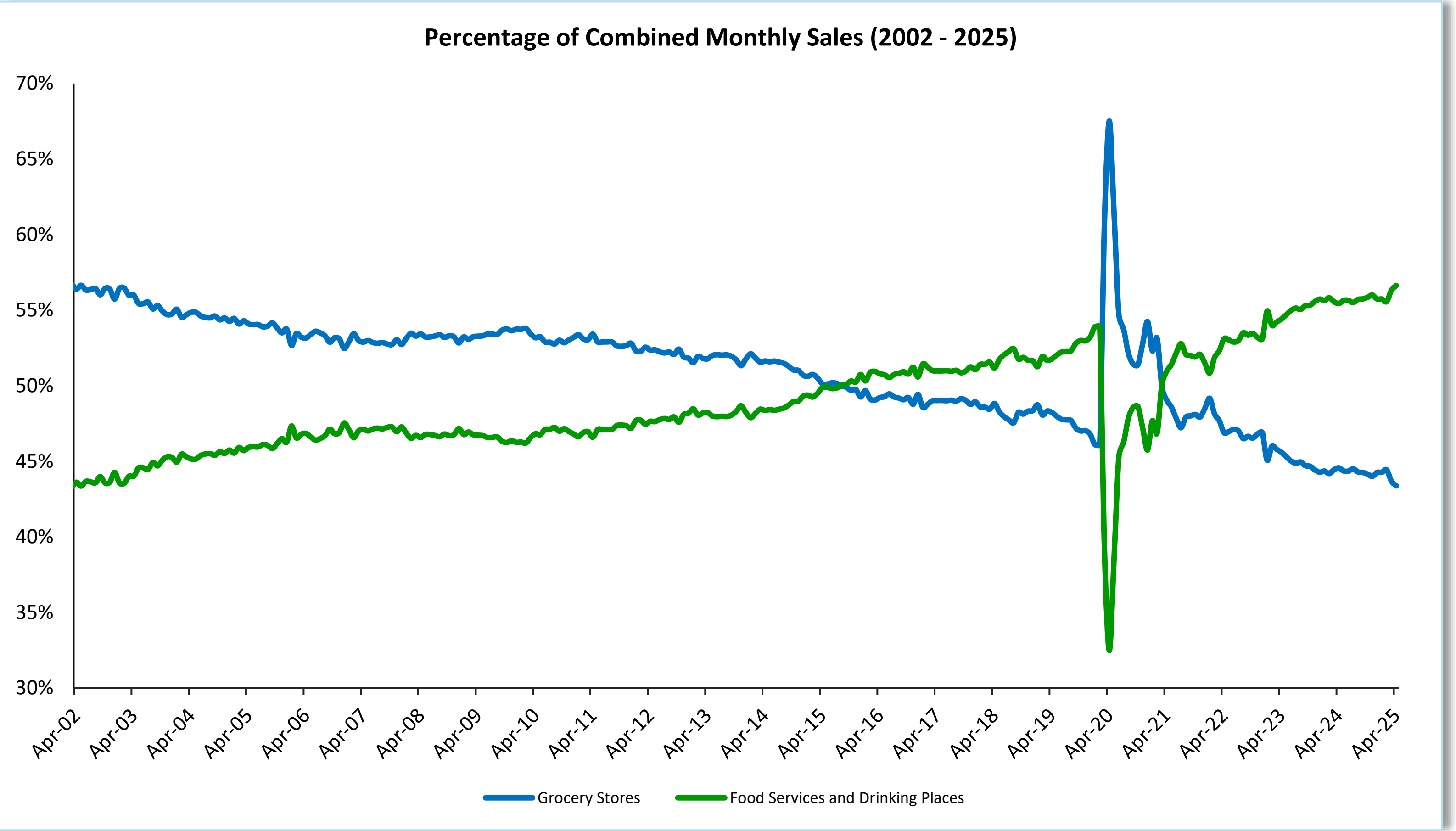
Only Global Player Leading[1] Market Share + Best-in-Class Food Export Business		
$81+ billion in Expected FY25 Sales	**76,000** Global Colleagues	**340** Distribution Facilities
#1 Market Share[1]	**~7,500** Sales Professionals	**~730K** Customer Locations



Sales by Customer Type

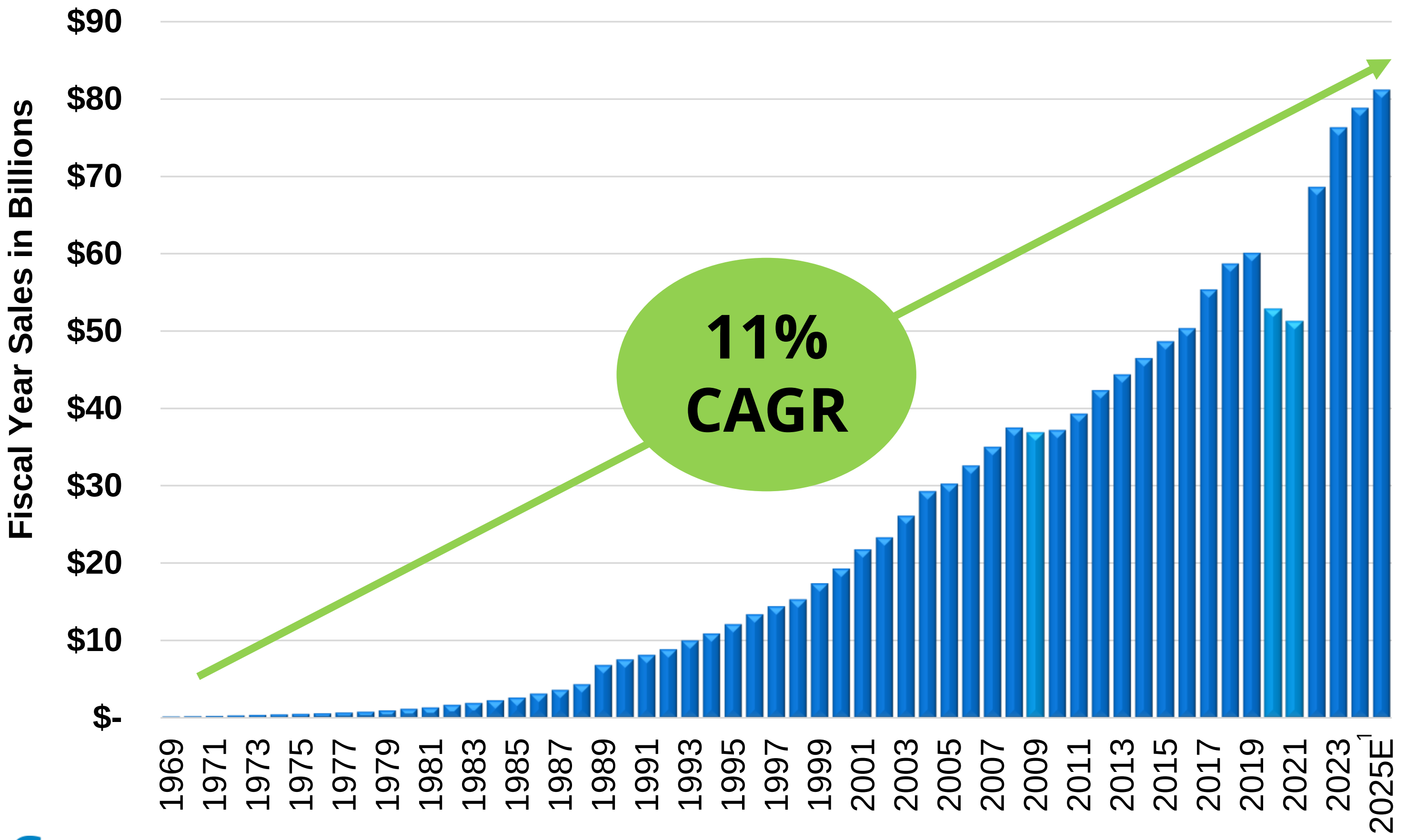
[1] #1 market share in U.S., Canada, U.K., Ireland, Costa Rica, Panama, Bahamas; Leading market share in Sweden and France; Expected sales for FY25 based on Sysco guidance range of 3% growth equating to ~$81 billion

Food Away From Home Continues to Gain Share



Source: The United States Census Bureau Advance Monthly Sales for Retail and Food Services

Growing Sales in 53 out of 56 Years

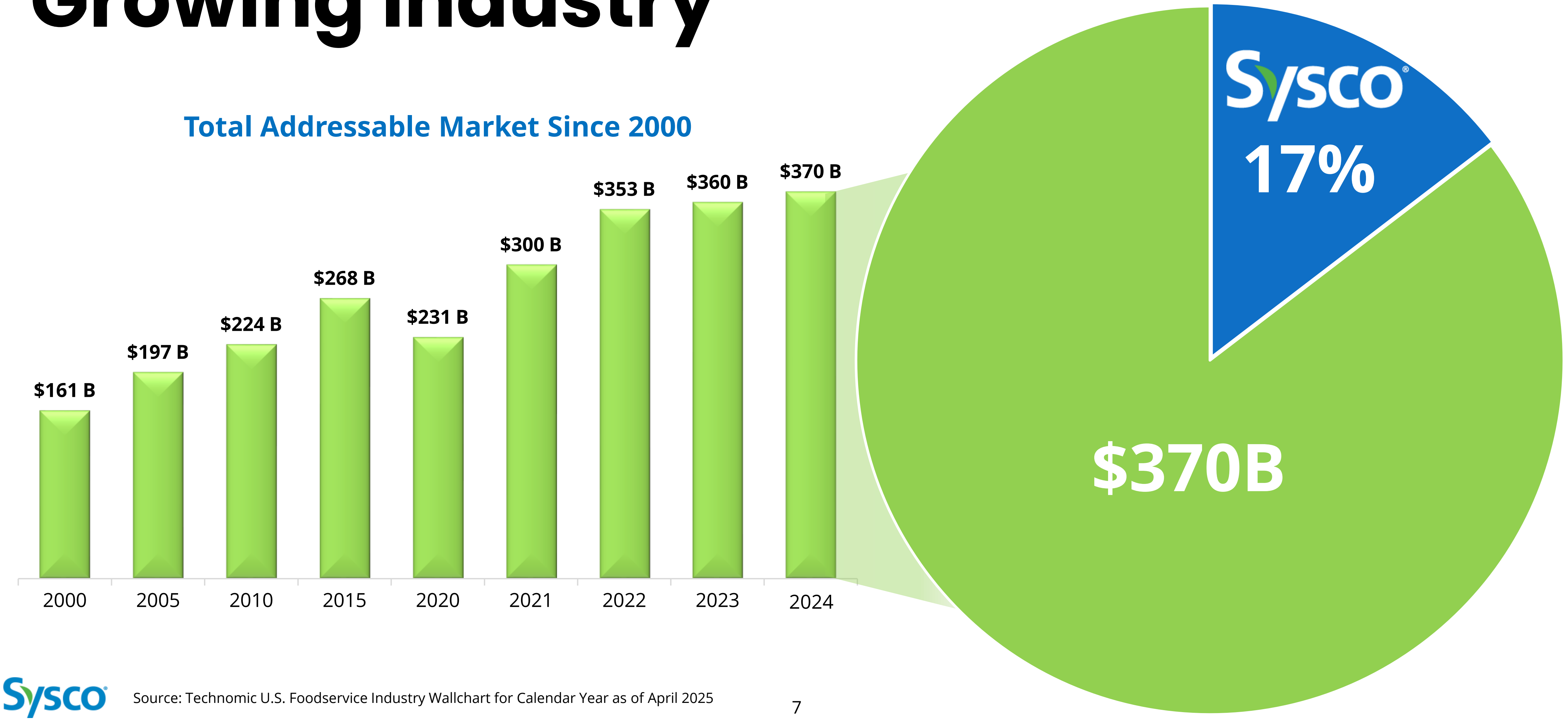


POSITIONED TO WIN

- #1 position across **National, Local, and Specialty**
  - Robust **cross-selling opportunities** with Broadline scale & specialty expansion to fuel future sales growth
- **International** segment continues to drive strong **growth**
- Strong **M&A** track record

[1] Expected sales for FY25 based on Sysco guidance range of 3% growth equating to ~$81 billion

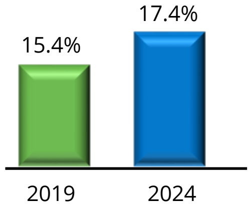
Sysco is #1 in an Attractive, Growing Industry



Source: Technomic U.S. Foodservice Industry Wallchart for Calendar Year as of April 2025

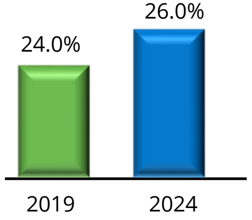
Sysco Has A Compelling Global Foodservice Model

United States: #1 Position



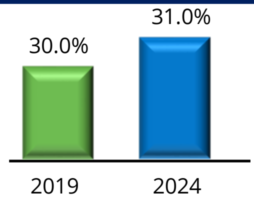
$370B TAM

Canada: #1 Position



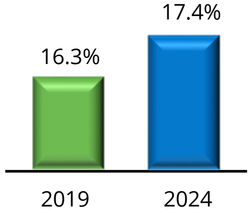
$23B TAM

Bahamas: #1 Position

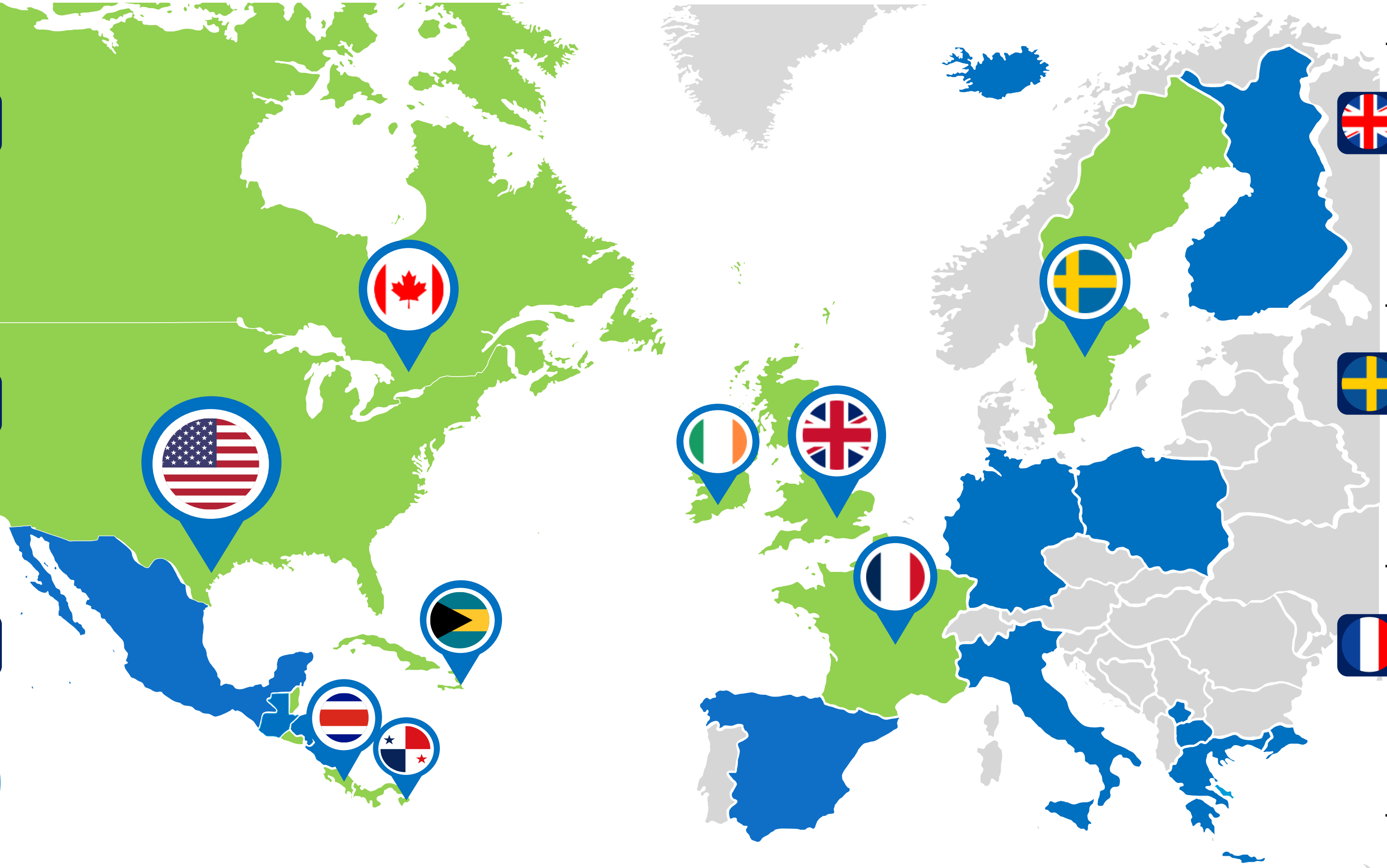


$1B TAM

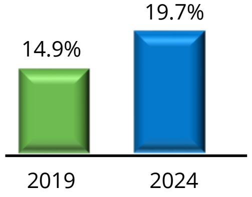
Costa Rica: #1 Position



$1B TAM

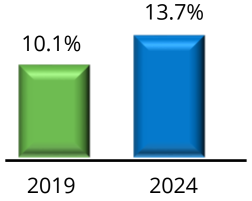


Ireland: #1 Position



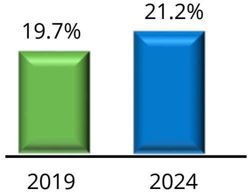
$4B TAM

Great Britain: #1 Position



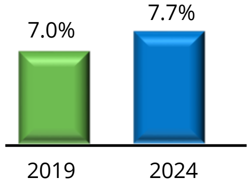
$27B TAM

Sweden: #2 Position



$5B TAM

France: #3 Position

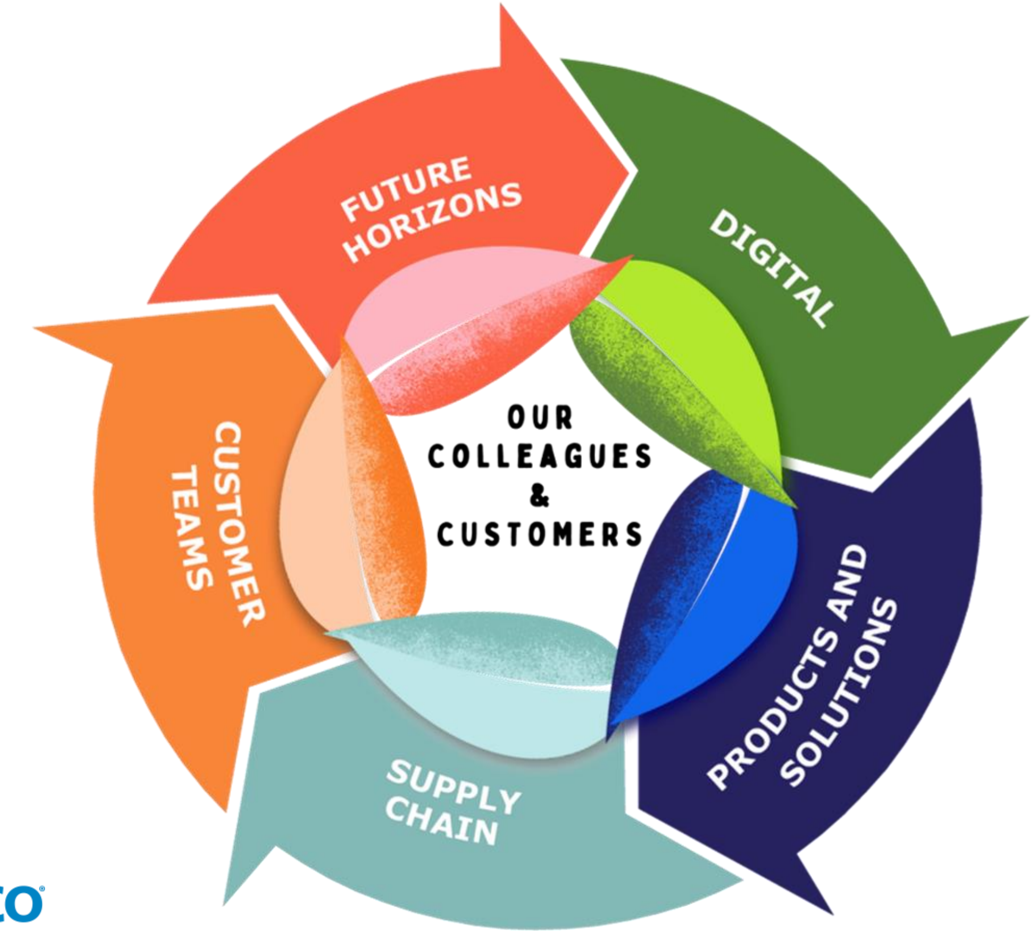


$23B[1] TAM

Source: U.S. – Technomic (adjusted estimate); Canada – Restaurants Canada; GB, Ireland, Sweden, France, Costa Rica, Panama, Bahamas – Global Data; market share information compares calendar year 2019 to calendar year 2024, excluding the United States. [1] Food excluding Beverages; Green countries represent domiciled operations, blue countries represent IFG export operations

Enhancing Today, While Shaping Tomorrow Through a Focus on Core Strengths

CONTINUE TO ADVANCE OUR RECIPE FOR GROWTH



FOCAL POINTS

Local

Growth Vectors

Actions Driving Stronger Near-Term Local Case Growth

Selling Initiatives Gaining Traction:

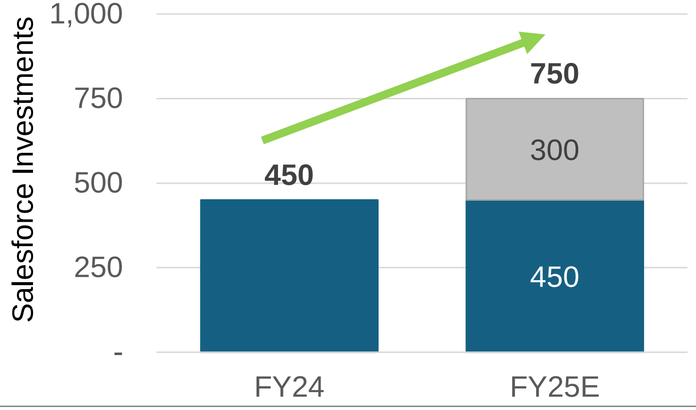
Compelling Supply Chain Service Levels

Significantly Improved Sales Colleague Retention

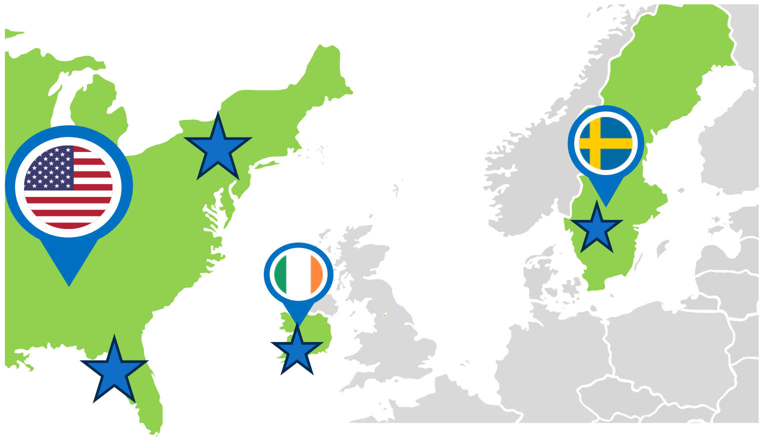
Strengthened New Customer Win Rate

Actions Driving Sustainable Medium-Term Growth

Salesforce Investment



Capacity & Cuisine Expansion



Greco & Sons

ASIAN FOODS
a Sysco company

Local Case Growth Momentum Drivers

Total Team Selling

US Broadline Only $

US Broadline + One Specialty
3x Higher Sales/Customer

US Broadline + Two Specialty
6x Higher Sales/Customer

Selling Initiatives

Your Way Sysco

SYSCO perks! ™
PREMIER REWARDS CLUB

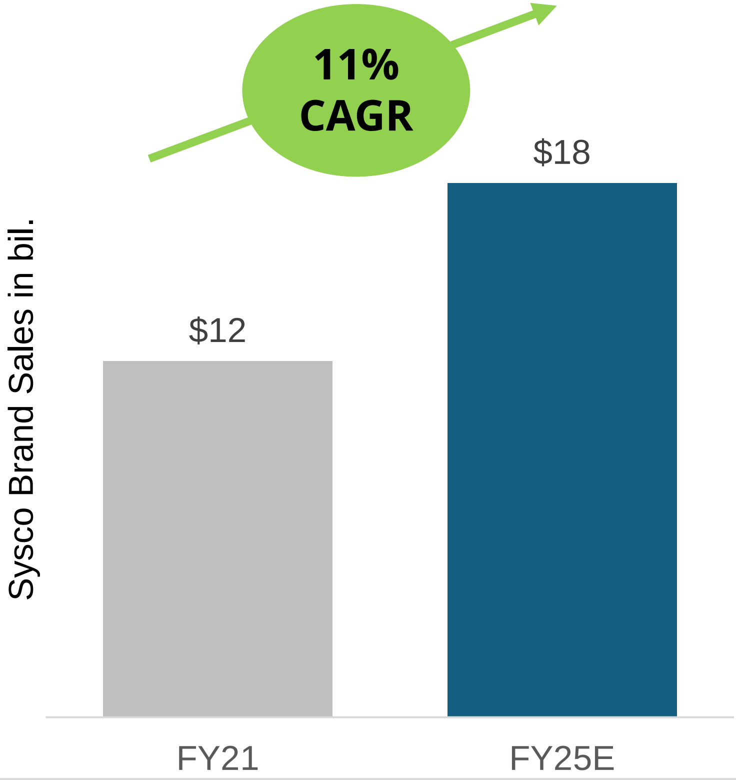
PRICING Agility

Sysco

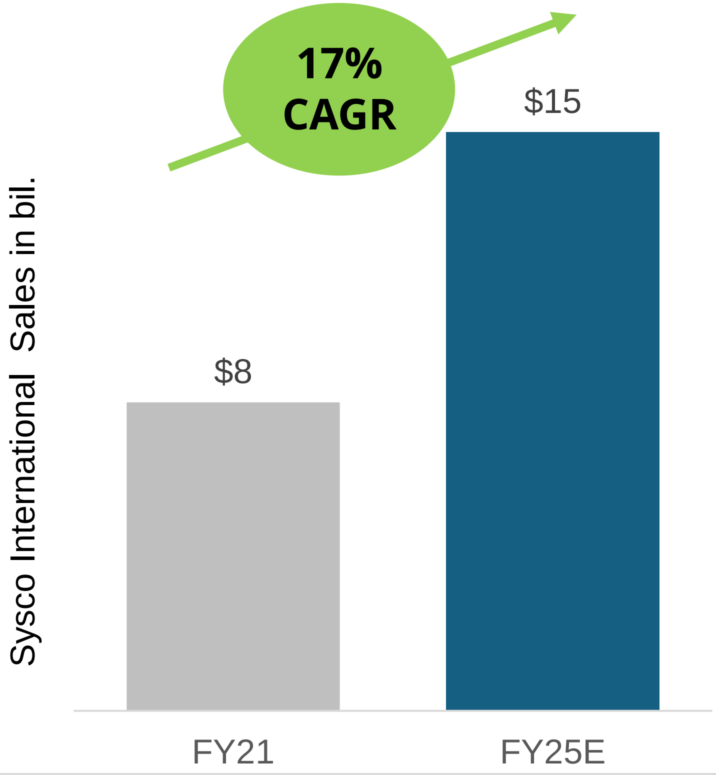
Vectors of Long-Term Growth

Sysco Brand

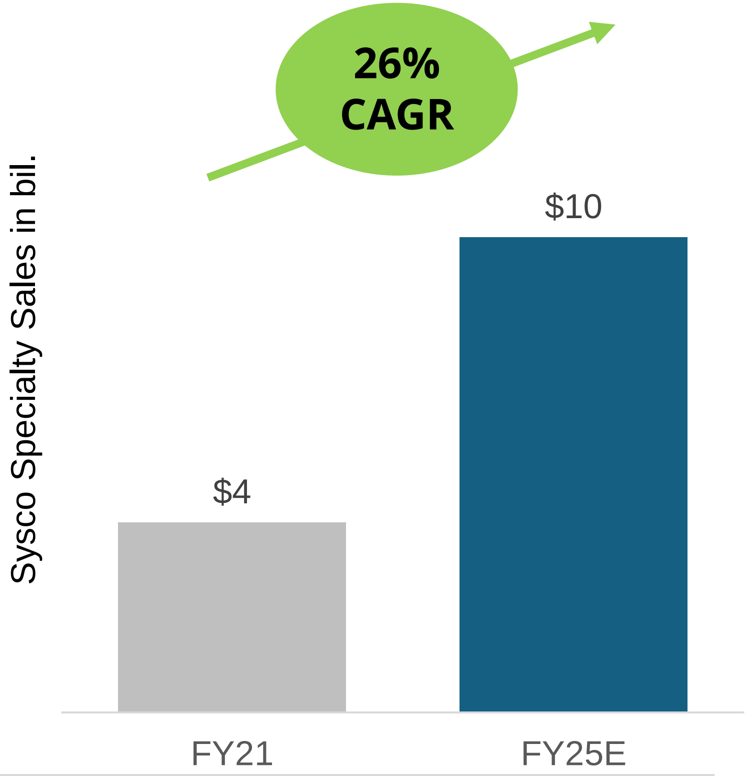
US Broadline



International



Specialty



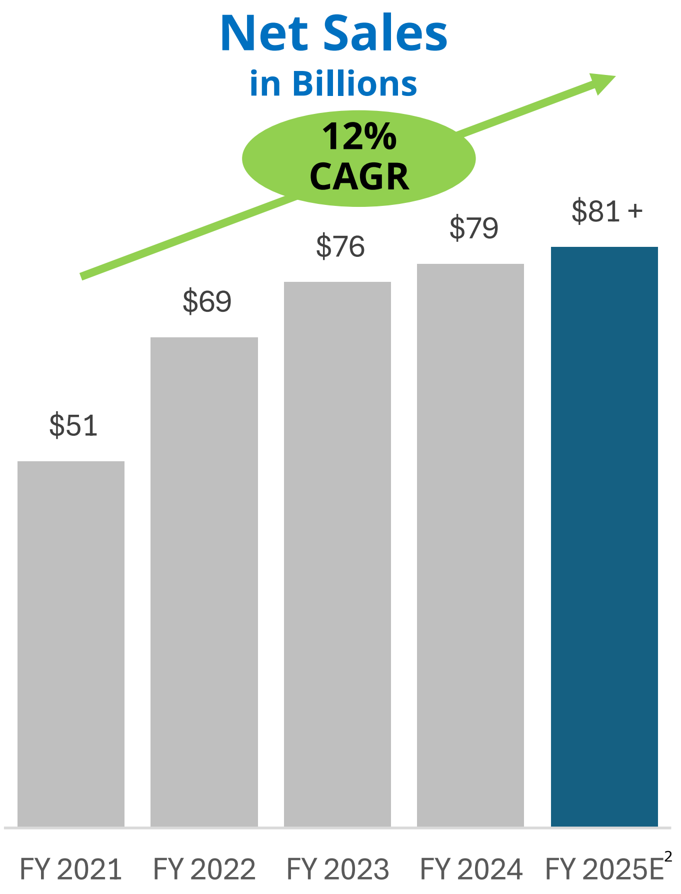
Long-Term Accretive M&A

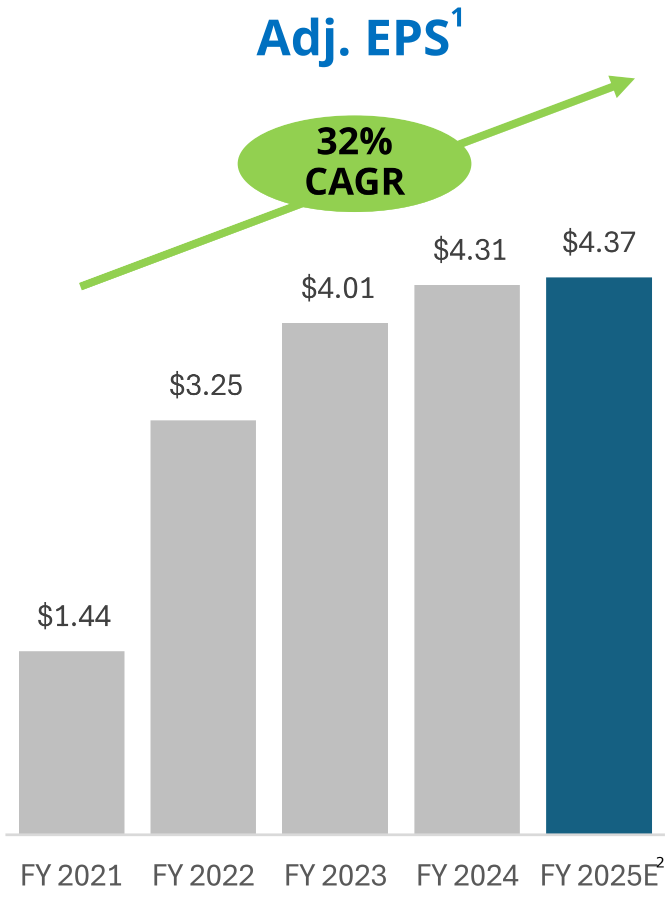
Kenny Cheung

EXECUTIVE VICE PRESIDENT AND CHIEF FINANCIAL OFFICER

Sysco At the heart of food and service

Advancing Our Leading Industry Position





Attractive Return Profile

#1 Market Share

+

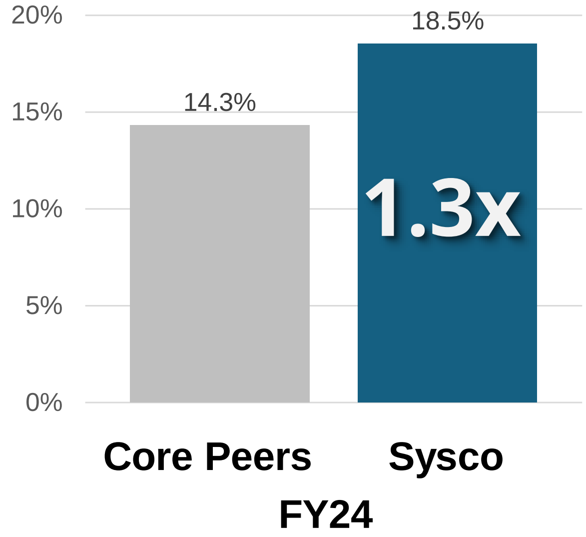
Industry Leading:

- Sales
- Gross Margins
- EBITDA Margins
- Free Cash Flow
- ROIC
- Investment Grade Balance Sheet

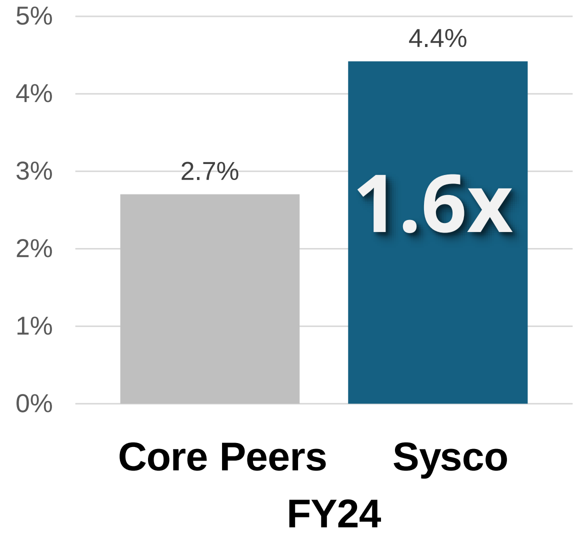
[1] See Non-GAAP reconciliations at the end of the presentation.
[2] FY 2025 Guidance: Approximately 3% sales growth and at least 1% Adj. EPS growth

Superior Performance vs. Core Peers

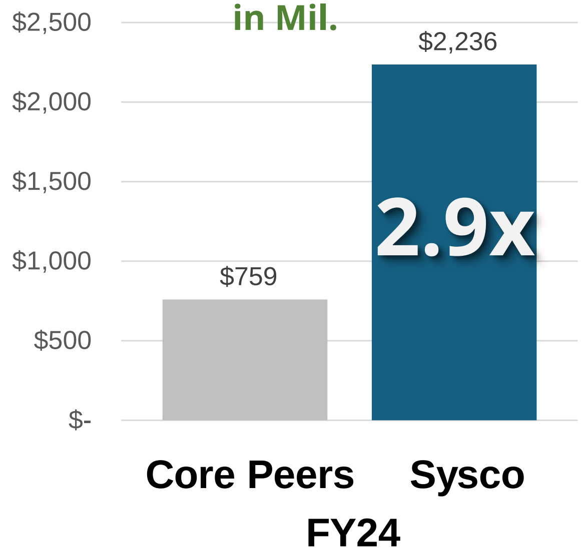
Gross Margin



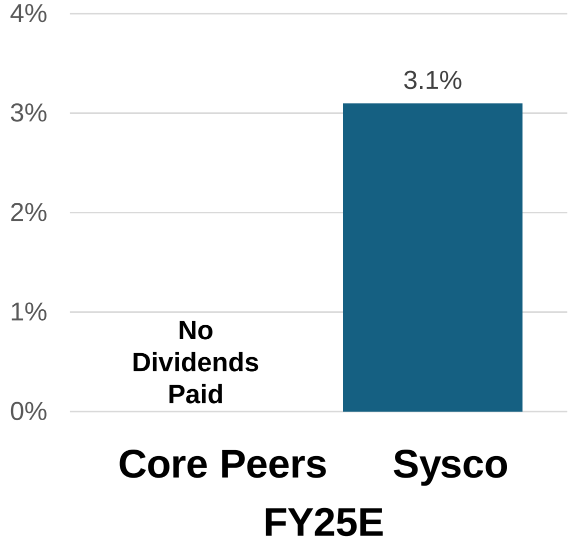
Adj. Operating Margin[1]



Free Cash Flow[1]

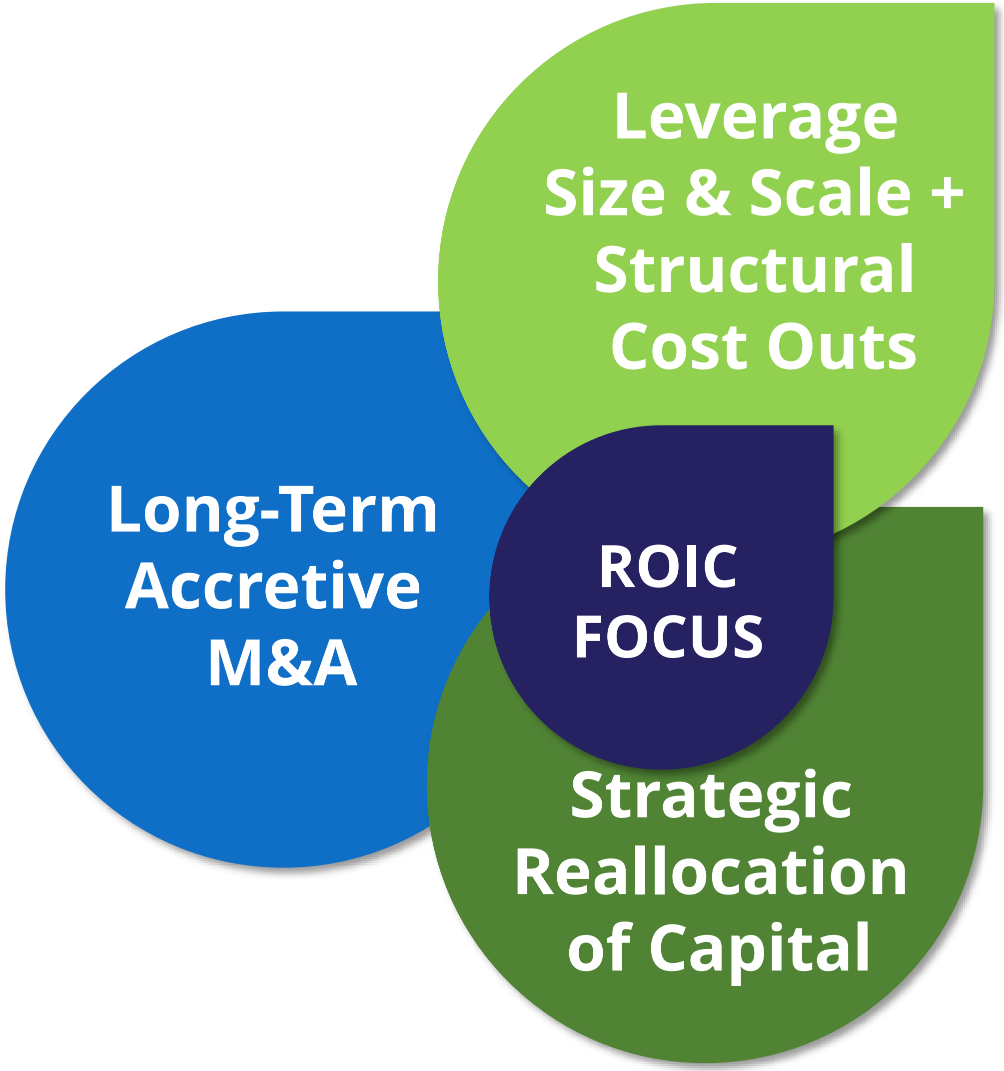


Dividend Yield

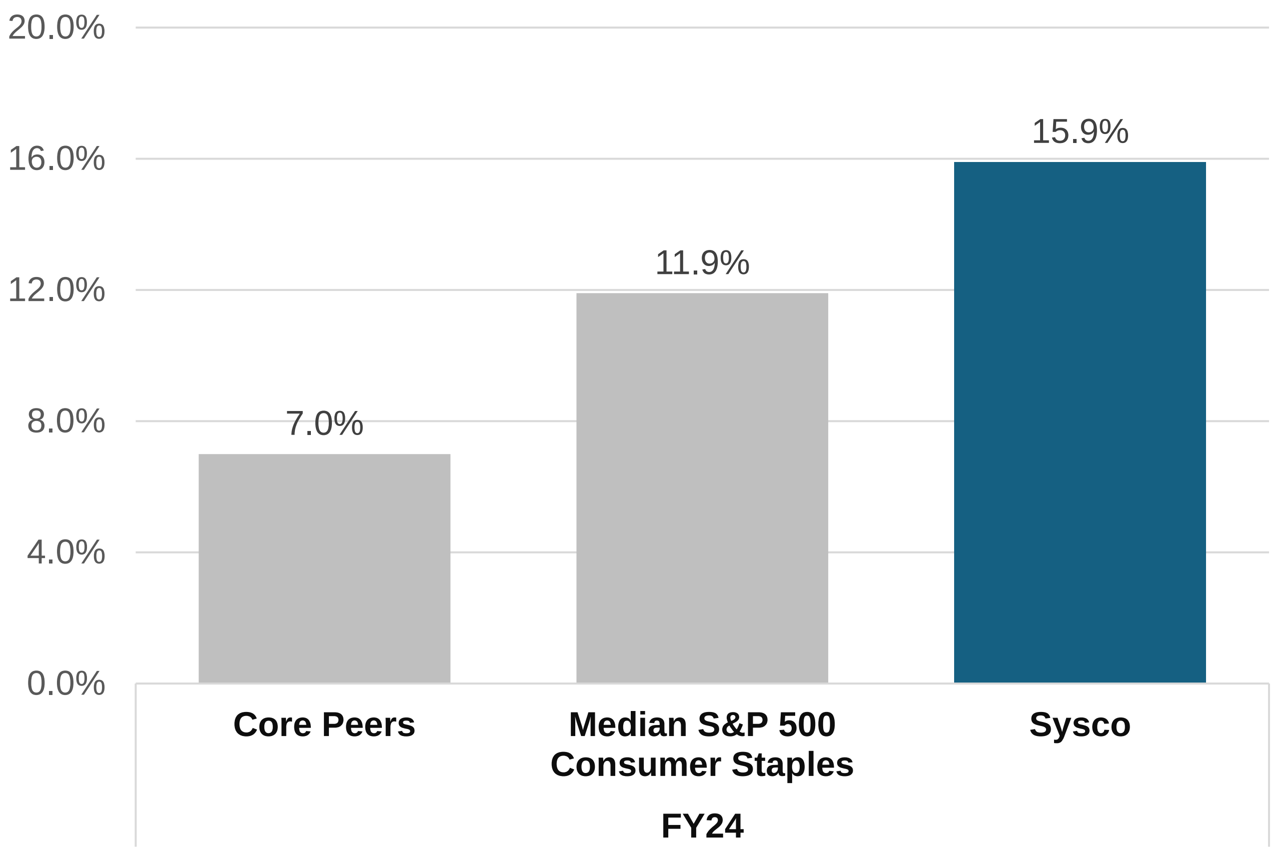


[1] See Non-GAAP reconciliations at the end of the presentation.
Data as of FY24 from SEC filings and calendarized to match Sysco's June fiscal year-end. Core peer group represents average of US Foods and Performance Food Group.
Our calculations of non-GAAP numbers may be calculated in a different manner than and may not be comparable to peer calculations of similarly titled non-GAAP numbers for our peers.

ROIC Growth Mindset



Industry Leading ROIC[1] Profile



[1] Represents adjusted ROIC for Sysco; Dividend and ROIC data for core peers (average of US Foods and Performance Food Group) and consumer staples (median of consumer companies included in the Consumer Staples ETF ticker XLP) as reported by Bloomberg calendarized to match Sysco's fiscal year-end; See Non-GAAP reconciliations at the end of the presentation

Underpinned by Balanced Capital Allocation

Invest for Growth

Capex Investments ~1% of Annual Sales

Maintain a Strong Balance Sheet

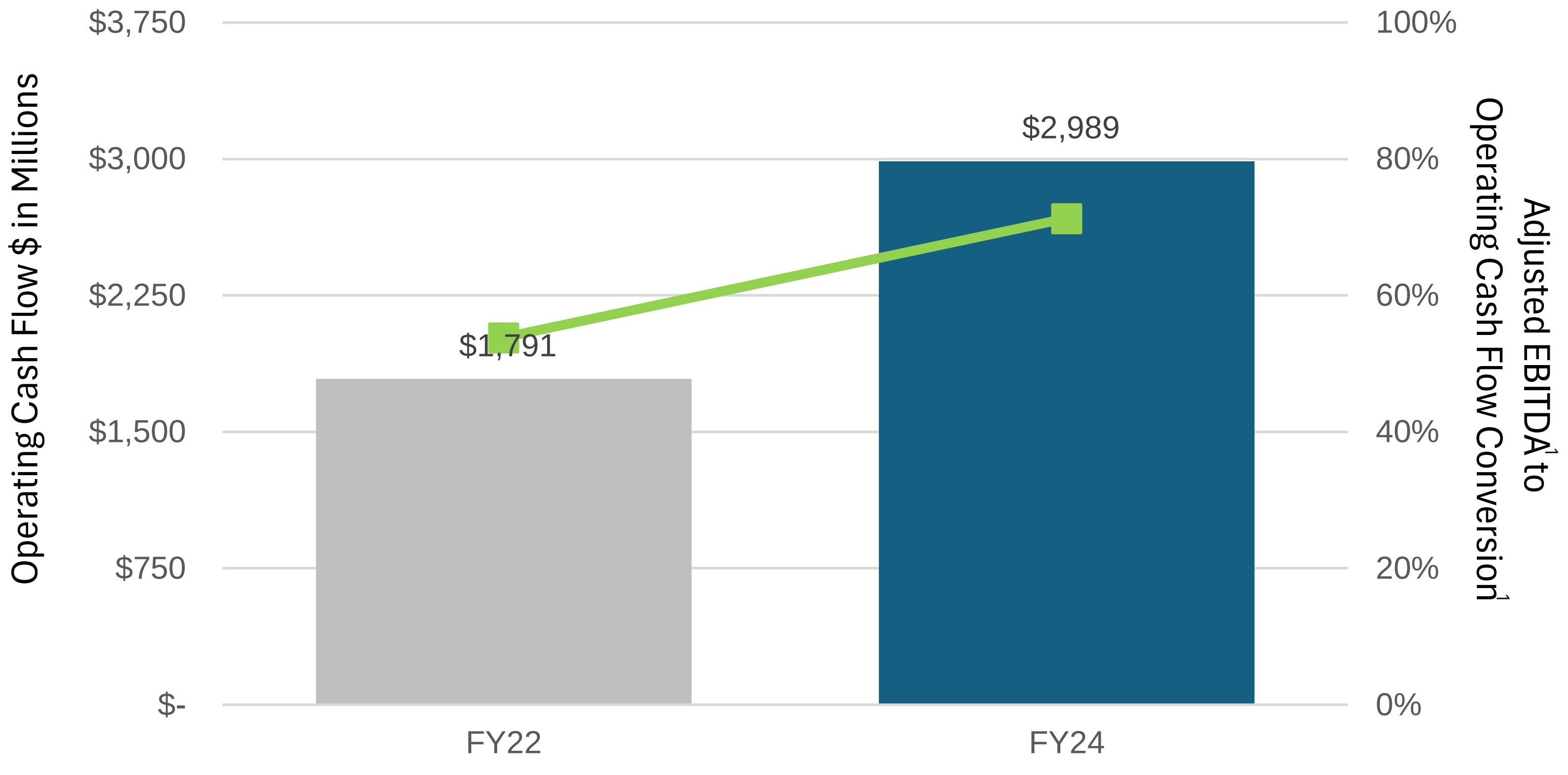
Commitment to Investment Grade Rating with Net Leverage Target of 2.50x – 2.75x[1]

Return Cash to Shareholders

Balanced Shareholder Return with Growing Dividend & Share Repurchase

[1]Net leverage target is net debt to Adjusted EBITDA; In arriving at Adjusted EBITDA, Sysco does not adjust out interest income or non-cash stock compensation expense. Definition of Net Debt includes our debt minus cash and cash equivalents.
See Non-GAAP reconciliations at the end of the presentation.

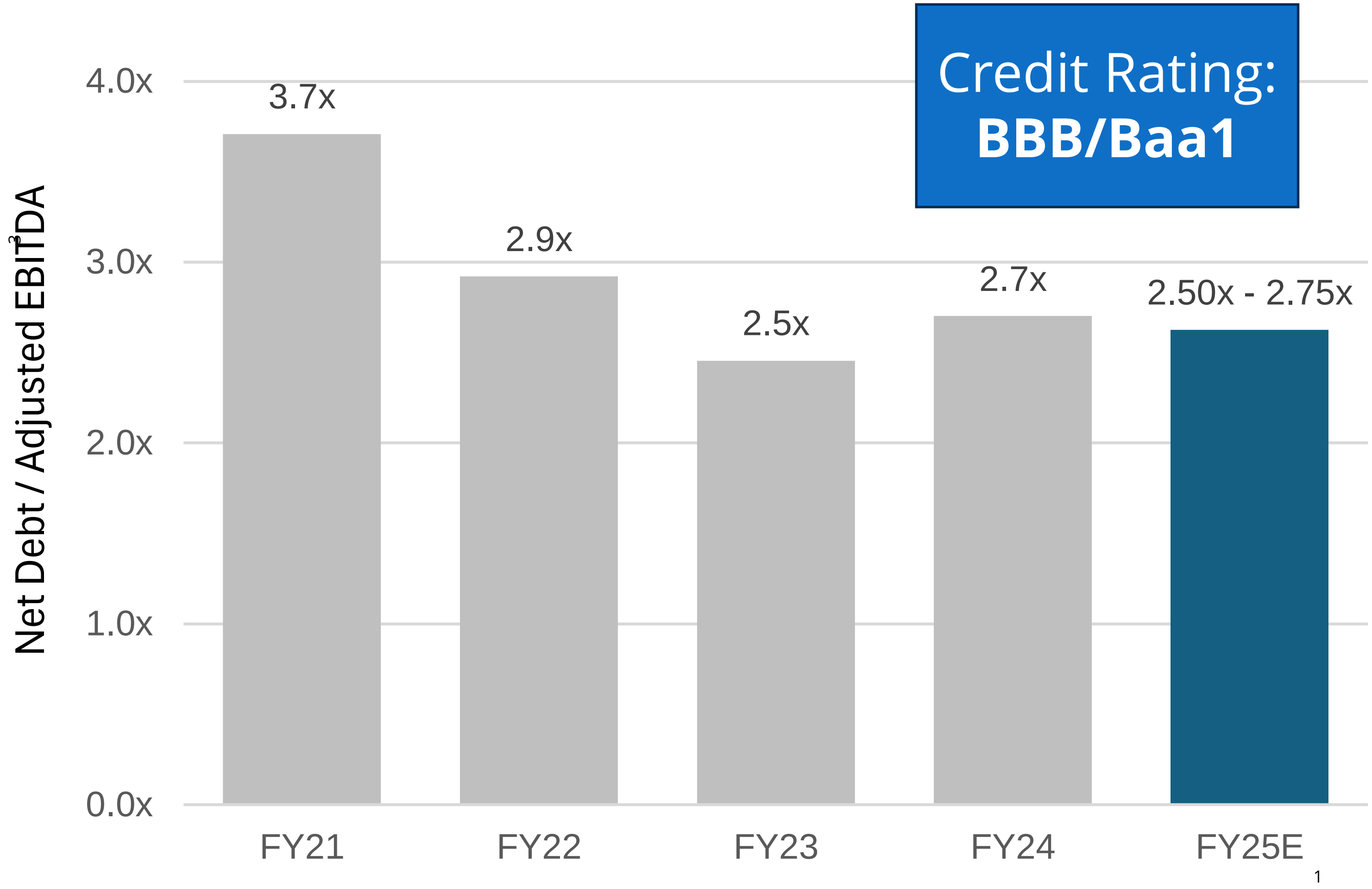
Solid Operating Cash Flow Generation



- **Strong operating cash flow generation to support business investment and capital return**
- **Expect strong conversion rates[1] from adjusted EBITDA[1] to operating cash flow at ~70% and free cash flow[1] at ~50%**

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

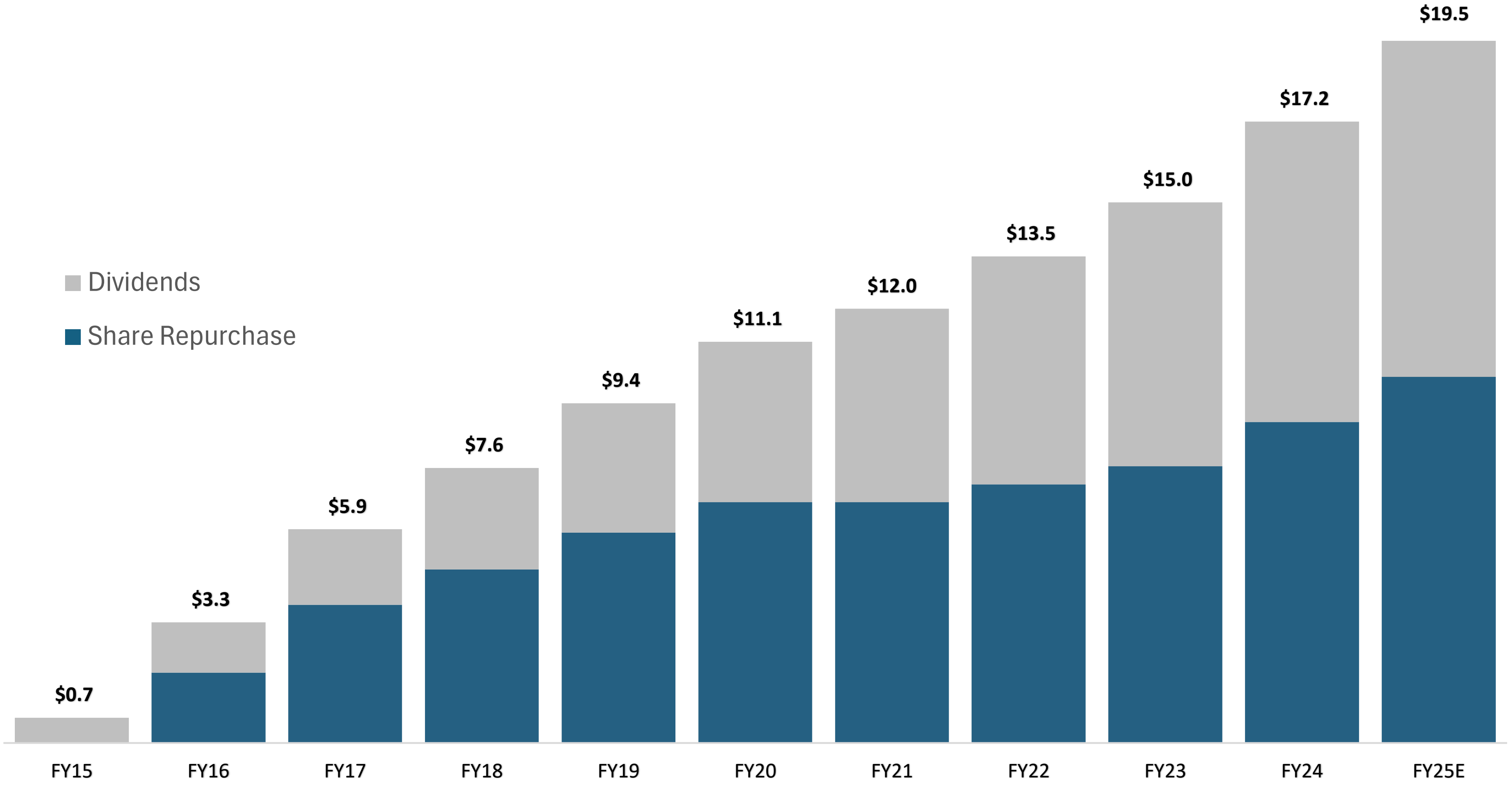
Investment Grade Balance Sheet



[1] Reflects the midpoint of FY25's targeted leverage range of 2.50x-2.75x
[2] Net leverage target is net debt to Adjusted EBITDA; In arriving at Adjusted EBITDA, Sysco does not adjust out interest income or non-cash stock compensation expense. Definition of Net Debt includes our debt minus cash and cash equivalents.
[3] See Non-GAAP reconciliations and discussion of forward-looking non-GAAP financial measures at the end of the presentation

- **Only foodservice distributor with investment grade rating**
- **Industry leading balance sheet with ~$4 billion of liquidity meaningfully outpacing minimum thresholds**
- **Expect to end the year within targeted 2.50x-2.75x net leverage[2] range**
- **Debt remains well-laddered**

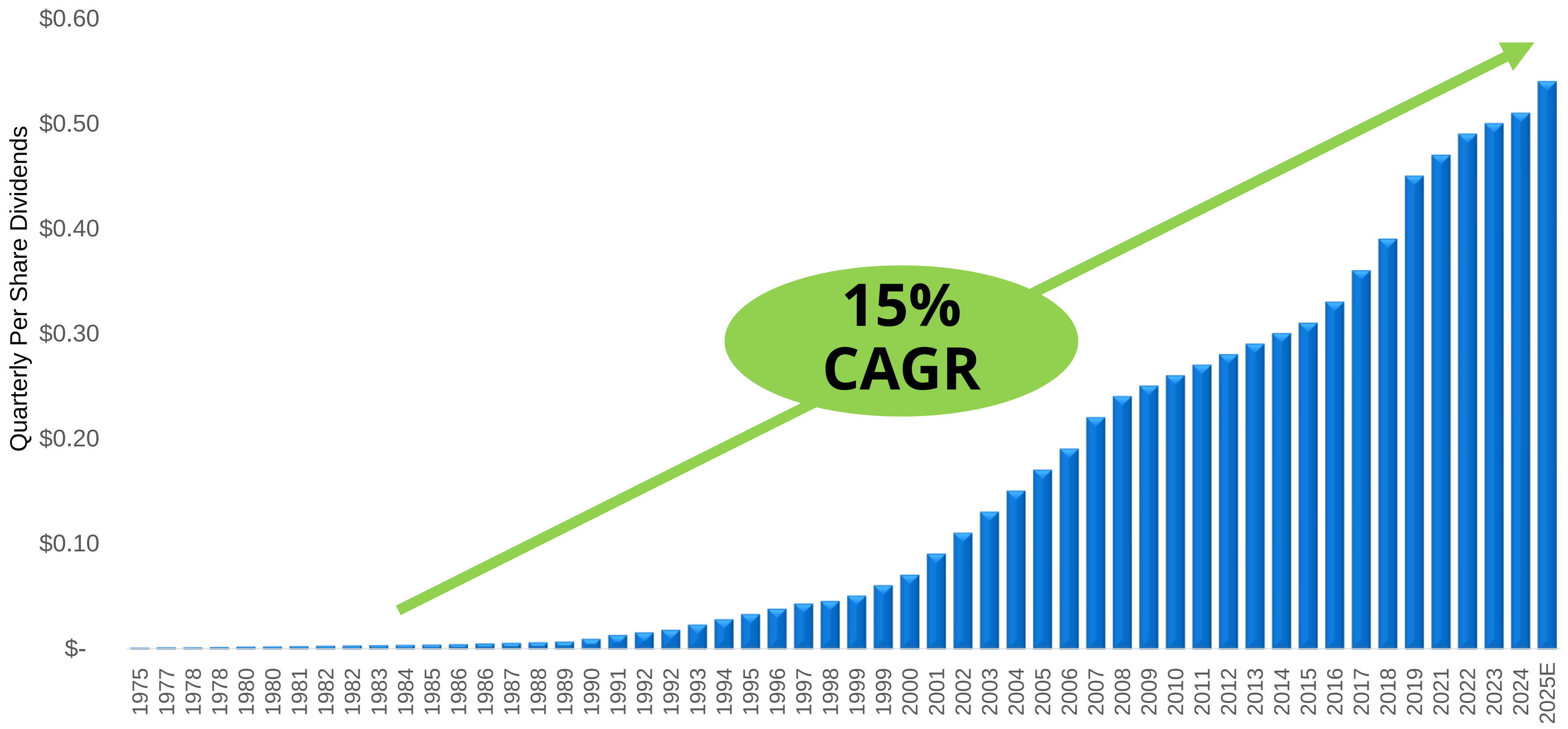
Strong Cash Generation Drives Shareholder Returns



Cumulative Cash Returned to Shareholders
in billions

Over $19.5 billion of cumulative cash expected to be returned to shareholders through FY 2025

Sysco is a Dividend Aristocrat, On Track For 56 Years of Dividend Growth



Our planned quarterly cash dividend recently increased by 6% to $0.54 per share.

Going forward, expect dividend growth commensurate with adjusted EPS growth.

Sysco

Kevin Hourican

CHAIR OF THE BOARD AND CHIEF EXECUTIVE OFFICER

Sysco
At the heart of food and service

COMPELLING INVESTMENT OPPORTUNITY

- **Market leader in foodservice** with key strategic advantages and significant scale, **benefitting from FAFH trends**
- **Resilient business model,** balanced across end geographies, channels, and product mixes
- **Multiple vectors of growth** in international, core volumes and through M&A across local, chain, and specialty
- Strong operational excellence and deliver **industry leading margins and strong return on capital**
- Balanced growth and capital allocation strategy supported by an **investment grade balance sheet**
- **Track record of dividend growth and share repurchases;** on-track to return $2.25 billion in capital in FY25

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NON-GAAP RECONCILIATIONS

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Impact of Certain Items

The discussion of our results includes certain non-GAAP financial measures, including EBITDA and adjusted EBITDA, that we believe provide important perspective with respect to underlying business trends. Other than EBITDA and free cash flow, any non-GAAP financial measures will be denoted as adjusted measures to remove (1) restructuring charges; (2) expenses associated with our various transformation initiatives; (3) severance charges; (4) acquisition-related costs consisting of: (a) intangible amortization expense and (b) acquisition costs and due diligence costs related to our acquisitions; and (5) 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 2023 were also impacted by adjustments to a product return allowance pertaining to COVID-related personal protection equipment inventory, a pension settlement charge that resulted from the purchase of a nonparticipating single premium group annuity contract that transferred defined benefit plan obligations to an insurer, and a litigation financing agreement. Our results for fiscal 2022 were also impacted by a write-down of COVID-related personal protection equipment inventory due to the reduction in the net realizable value of inventory, losses on the extinguishment of long-term debt and an increase in reserves for uncertain tax positions. Our results for fiscal 2021 were also impacted by losses on the extinguishment of long-term debt and losses on the sale of businesses.

Management believes that adjusting its operating expenses, operating income, net earnings and diluted earnings per share to remove these Certain Items and presenting its results on a constant currency basis provides an important perspective with respect to our underlying business trends and results. It 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 2024, fiscal 2023, fiscal 2022, and fiscal 2021.

Set forth below is a reconciliation of sales, operating expenses, operating income, 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 be equal to the total presented when added 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
(Dollars in Millions, Except for Share and Per Share Data)

	52-Week Period Ended Jun. 29, 2024	52-Week Period Ended Jul. 1, 2023	52-Week Period Ended Jul. 2, 2022	53-Week Period Ended Jul. 3, 2021
Sales (GAAP)	$ 78,844	$ 76,325	$ 68,636	$ 51,298
Cost of sales (GAAP)	$ 64,236	$ 62,370	$ 56,316	$ 41,941
Impact of inventory valuation adjustment	-	3 (1)	(73) (1)	-
Cost of sales adjusted for Certain Items (Non-GAAP)	$ 64,236	$ 62,373	$ 56,243	$ 41,941
Gross profit (GAAP)	$ 14,608	$ 13,955	$ 12,320	$ 9,357
Impact of inventory valuation adjustment	-	(3) (1)	73 (1)	-
Gross profit adjusted for Certain Items (Non-GAAP)	$ 14,608	$ 13,952	$ 12,393	$ 9,357
Operating expenses (GAAP)	$ 11,406	$ 10,916	$ 9,974	$ 7,910
Impact of restructuring and transformational project costs	(120) (2)	(63) (2)	(108) (2)	(119) (6)
Impact of acquisition-related costs	(159) (3)	(116) (3)	(139) (3)	(80) (7)
Impact of bad debt reserve adjustments	-	5 (4)	28 (4)	185 (4)
Operating expenses adjusted for Certain Items (Non-GAAP)	$ 11,127	$ 10,742	$ 9,755	$ 7,896
Operating income (GAAP)	$ 3,202	$ 3,039	$ 2,346	$ 1,447
Impact of inventory valuation adjustment	-	(3) (1)	73 (1)	-
Impact of restructuring and transformational project costs	120 (2)	63 (2)	108 (2)	119 (6)
Impact of acquisition-related costs	159 (3)	116 (3)	139 (3)	80 (7)
Impact of bad debt reserve adjustments	-	(5) (4)	(28) (4)	(185) (4)
Operating income adjusted for Certain Items (Non-GAAP)	$ 3,481	$ 3,210	$ 2,638	$ 1,461
Operating margin (GAAP)	4.06%	3.98%	3.42%	2.82%
Operating margin adjusted for Certain Items (Non-GAAP)	4.42%	4.21%	3.84%	2.85%
Interest expense (GAAP)	$ 607	$ 527	$ 624	$ 880
Impact of loss on extinguishment of debt	-	-	(116)	(294)
Interest expense adjusted for Certain Items (Non-GAAP)	$ 607	$ 527	$ 508	$ 586
Other expense (income) (GAAP)	$ 30	$ 227	$ (24)	$ (18)
Impact of other non-routine gains and losses	-	(194) (5)	-	(19) (8)
Other expense (income) adjusted for Certain Items (Non-GAAP)	$ 30	$ 33	$ (24)	$ (37)
Net earnings (GAAP)	$ 1,955	$ 1,770	$ 1,359	$ 524
Impact of inventory valuation adjustment	-	(3) (1)	73 (1)	-
Impact of restructuring and transformational project costs	120 (2)	63 (2)	108 (2)	119 (6)
Impact of acquisition-related costs	159 (3)	116 (3)	139 (3)	80 (7)
Impact of bad debt reserve adjustments	-	(5) (4)	(28) (4)	(185) (4)
Impact of loss on extinguishment of debt	-	-	116	294
Impact of other non-routine gains and losses	-	194 (5)	-	19 (8)
Tax impact of inventory valuation adjustment (9)	-	1	(19)	-
Tax impact of restructuring and transformational project costs (9)	(29)	(15)	(28)	(32)
Tax impact of acquisition-related costs (9)	(38)	(29)	(36)	(20)
Tax impact of bad debt reserve adjustments (9)	-	1	7	46
Tax impact of loss on extinguishment of debt (9)	-	-	(30)	(79)
Tax impact of other non-routine gains and losses (9)	-	(49)	-	(3)
Impact of adjustments to uncertain tax positions	-	-	12	-
Impact of foreign tax rate change	-	-	-	(23) (10)
Net earnings adjusted for Certain Items (Non-GAAP)	$ 2,167	$ 2,044	$ 1,673	$ 740

Sysco

Sysco Corporation and its Consolidated Subsidiaries
Non-GAAP Reconciliation (Unaudited)
Impact of Certain Items
(Dollars in Millions, Except for Share and Per Share Data) continued

Diluted earnings per share (GAAP)	$	3.89		$	3.47		$	2.64		$	1.02	
Impact of inventory valuation adjustment		-			(0.01)	(1)		0.14	(1)		-	
Impact of restructuring and transformational project costs		0.24	(2)		0.12	(2)		0.21	(2)		0.23	(6)
Impact of acquisition-related costs		0.32	(3)		0.23	(3)		0.27	(3)		0.15	(7)
Impact of bad debt reserve adjustments		-			(0.01)	(4)		(0.05)	(4)		(0.36)	(4)
Impact of loss on extinguishment of debt		-			-			0.23			0.57	
Impact of other non-routine gains and losses		-			0.38	(5)		-			0.04	(8)
Tax impact of inventory valuation adjustment [9]		-			-			(0.04)			-	
Tax impact of restructuring and transformational project costs [9]		(0.06)			(0.03)			(0.05)			(0.06)	
Tax impact of acquisition-related costs [9]		(0.08)			(0.06)			(0.07)			(0.04)	
Tax impact of bad debt reserve adjustments [9]		-			-			0.01			0.09	
Tax impact of loss on extinguishment of debt [9]		-			-			(0.06)			(0.15)	
Tax impact of other non-routine gains and losses [9]		-			(0.10)			-			(0.01)	
Impact of adjustments to uncertain tax positions		-			-			0.02			-	
Impact of foreign tax rate change		-			-			-			(0.05)	(10)
Diluted earnings per share adjusted for Certain Items (Non-GAAP) [11]	$	4.31		$	4.01		$	3.25		$	1.44	
Diluted shares outstanding		503,096,086			509,719,756			514,005,827			513,555,088	

(1) Fiscal 2023 represents an adjustment to a product return allowance, related to COVID-related personal protection equipment inventory. Fiscal 2022 represents a write-down of COVID-related personal protection equipment inventory due to the reduction in the net realizable value of inventory.

(2) Fiscal 2024 includes $56 million related to restructuring and severance charges and $64 million related to various transformation initiative costs, primarily consisting of changes to our business technology strategy. Fiscal 2023 includes $20 million related to restructuring and severance charges and $43 million related to various transformation initiative costs, primarily consisting of changes to our business technology strategy. Fiscal 2022 includes $59 million related to restructuring and severance charges and $49 million related to various transformation initiative costs, primarily consisting of changes to our business technology strategy.

(3) Fiscal 2024 includes $128 million of intangible amortization expense and $31 million in acquisition and due diligence costs. Fiscal 2023 includes $105 million of intangible amortization expense and $10 million in acquisition and due diligence costs. Fiscal 2022 includes $106 million of intangible amortization expense and $33 million in acquisition and due diligence costs.

(4) Represents the reduction of bad debt charges previously taken on pre-pandemic trade receivable balances in fiscal 2020.

(5) Fiscal 2023 primarily includes a pension settlement charge of $315 million that resulted from the purchase of a nonparticipating single premium group annuity contract that transferred defined benefit plan obligations to an insurer and $122 million in income from a litigation financing agreement.

(6) Fiscal 2021 includes $63 million related to restructuring charges and severance charges and $56 million related to various transformation initiative costs, primarily consisting of changes to our business technology strategy.

(7) Fiscal 2021 represents $74 million of intangible amortization expense from the Brakes acquisition, as well as $6 million of due diligence and integration costs related to Greco and Sons acquisition.

(8) Fiscal 2021 includes $23 million of loss from the sale of businesses and other non-recurring gains and losses.

(9) 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.

(10) Represents a net benefit from remeasuring Sysco's accrued income taxes, deferred tax asset and deferred tax liabilities due to changes in tax rates in the United Kingdom.

(11) 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 outstanding.

Sysco Corporation and its Consolidated Subsidiaries
Non-GAAP Reconciliation (Unaudited)
Adjusted Return on Invested Capital
(In Millions)

Although adjusted return on invested capital (ROIC) is considered a non-GAAP financial measure, Sysco management considers adjusted ROIC to be a measure that provides useful information to management and investors in evaluating the efficiency and effectiveness of the company's long-term capital investments. We calculate adjusted ROIC as adjusted net earnings divided by the sum of: (1) stockholders' equity, computed as the average of adjusted stockholders' equity at the beginning of the year and at the end of each fiscal quarter during the year; and (2) total debt, computed as the average of adjusted total debt at the beginning of the year and at the end of each fiscal quarter during the year. These equity and debt amounts are adjusted for the impact of our Certain Items, foreign currency changes on our equity accounts, and excess cash. Trends in ROIC can fluctuate over time as management balances long-term strategic initiatives with possible short-term impacts.

	52-Week Period Ended Jun. 29, 2024
Net earnings (GAAP)	$ 1,955
Impact of Certain Items on net earnings	212
Adjusted net earnings (Non-GAAP)	$ 2,167
Invested capital (GAAP)	$ 13,621
Impact of Certain Items on invested capital	181
Foreign currency impact on equity accounts	(8)
Excess cash adjustment	(197)
Adjusted invested capital (Non-GAAP)	$ 13,597
Return on invested capital (GAAP)	14.4%
Adjusted return on invested capital (Non-GAAP)	15.9%

Sysco Corporation and its Consolidated Subsidiaries
Non-GAAP Reconciliation (Unaudited)
Free Cash Flow
(In Millions)

Free cash flow represents net cash provided from operating activities less purchases of plant and equipment and includes proceeds from sales of plant and equipment. Sysco considers free cash flow to be a liquidity measure that provides useful information to management and investors about the amount of cash generated by the business after the purchases and sales of buildings, fleet, equipment and technology, which may potentially be used to pay for, among other things, strategic uses of cash including dividend payments, share repurchases and acquisitions. However, free cash flow may not be available for discretionary expenditures, as it may be necessary that we use it to make mandatory debt service or other payments. Free cash flow should not be used as a substitute for the most comparable GAAP financial measure in assessing the company's liquidity 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 table that follows, free cash flow for each period presented is reconciled to net cash provided by operating activities.

	52-Week Period Ended Jun. 29, 2024	52-Week Period Ended Jul. 1, 2023	52-Week Period Ended Jul. 2, 2022
Net cash provided by operating activities (GAAP)	$ 2,989	$ 2,868	$ 1,791
Additions to plant and equipment	(832)	(793)	(633)
Proceeds from sales of plant and equipment	79	42	25
Free Cash Flow (Non-GAAP)	$ 2,236	$ 2,117	$ 1,183

Sysco Corporation and its Consolidated Subsidiaries
Non-GAAP Reconciliation (Unaudited)
Adjusted EBITDA to Free Cash Flow Conversion and Adjusted EBITDA to Operating Cash Flow Conversion
(In Millions)

Adjusted EBITDA to Free Cash Flow Conversion and Adjusted EBITDA to Operating Cash Flow Conversion are non-GAAP financial measures frequently used by investors and credit rating agencies. Our Adjusted EBITDA to Free Cash Flow Conversion is calculated using a numerator of Free Cash Flow divided by EBITDA Adjusted for Certain Items. Adjusted EBITDA to Operating Cash Flow Conversion is calculated using a numerator of net cash provided by operating activities divided by EBITDA Adjusted for Certain Items. In the table that follows, we have provided the calculation of Adjusted EBITDA to Free Cash Flow Conversion and Adjusted EBITDA to Operating Cash Flow Conversion.

	52-Week Period Ended Jun. 29, 2024	52-Week Period Ended Jul. 1, 2023	52-Week Period Ended Jul. 2, 2022
Net Earnings for the previous 12 months (GAAP)	$ 1,955	$ 1,770	$ 1,359
EBITDA adjusted for Certain Items (Non-GAAP)	4,192	3,846	3,327
Net cash provided by operating activities (GAAP)	2,989	2,868	1,791
Free Cash Flow (Non-GAAP)	2,236	2,117	1,183
Net Earnings to Operating Cash Flow Conversion (GAAP)	153%	162%	132%
Adjusted EBITDA to Operating Cash Flow Conversion (Non-GAAP)	71%	75%	54%
Net Earnings to Free Cash Flow Conversion (Non-GAAP)	114%	120%	87%
Adjusted EBITDA to Free Cash Flow Conversion (Non-GAAP)	53%	55%	36%

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

Net Debt to Adjusted EBITDA is a non-GAAP financial measure frequently used by investors and credit rating agencies. It is an important measure used by management to evaluate our access to liquidity, and we believe it is a representation of our financial strength. Our Net Debt to Adjusted EBITDA ratio is calculated using a numerator of our debt minus cash and cash equivalents, divided by the sum of the most recent four quarters of Adjusted EBITDA. In the table that follows, we have provided the calculation of our debt and net debt as a ratio of Adjusted EBITDA.

	June 29, 2024	July 1, 2023	July 2, 2022	July 3, 2021
Current Maturities of long-term debt	$ 469	$ 63	$ 581	$ 495
Long-term debt	11,513	10,348	10,067	10,588
Total Debt (GAAP)	11,982	10,411	10,648	11,083
Cash & Cash Equivalents	(696)	(745)	(867)	(3,007)
Net Debt (Non-GAAP)	$ 11,286	$ 9,666	$ 9,781	$ 8,076
Net Earnings for the previous 12 months (GAAP)	$ 1,955	$ 1,770	$ 1,359	$ 524
Adjusted EBITDA for the previous 12 months (Non-GAAP)	$ 4,192	$ 3,846	$ 3,327	$ 2,155
Total Debt/Net Earnings Ratio (GAAP)	6.13	5.88	7.84	21.15
Total Debt/Adjusted EBITDA Ratio (Non-GAAP)	2.86	2.71	3.20	5.14
Net Debt/Adjusted EBITDA Ratio (Non-GAAP)	2.69	2.51	2.94	3.75

Sysco Corporation and its Consolidated Subsidiaries
Non-GAAP Reconciliation (Unaudited)
Impact of Certain Items on Earnings Before Interest, Taxes, Depreciation and Amortization (Trailing Twelve Months)
(In Millions)

	52-Week Period Ended Jun. 29, 2024	52-Week Period Ended Jul. 1, 2023	52-Week Period Ended Jul. 2, 2022	53-Week Period Ended Jul. 3, 2021
Net earnings (GAAP)	$ 1,955	$ 1,770	$ 1,359	$ 524
Interest (GAAP)	607	527	624	880
Income taxes (GAAP)	610	515	388	61
Depreciation and amortization (GAAP)	873	776	773	738
EBITDA (Non-GAAP)	$ 4,045	$ 3,588	$ 3,144	$ 2,203
Certain Item adjustments:				
Impact of inventory valuation adjustment (1)	-	(3)	73	-
Impact of restructuring and transformational project costs (2)	116	61	106	112
Impact of acquisition-related costs (3)	31	10	32	6
Impact of bad debt reserve adjustments (4)	-	(4)	(28)	(185)
Impact of other non-routine gains and losses (5)	-	194	-	19
EBITDA adjusted for Certain Items (Non-GAAP) (6)	$ 4,192	$ 3,846	$ 3,327	$ 2,155

(1) Fiscal 2023 represents an adjustment to a product return allowance related to COVID-related personal protection equipment inventory. Fiscal 2022 represents a write-down of COVID-related personal protection equipment inventory due to the reduction in the net realizable value of inventory.

(2) Fiscal 2024, fiscal 2023, fiscal 2022, and fiscal 2021 include charges related to restructuring and severance, as well as various transformation initiative costs, primarily consisting of changes to our business technology strategy, excluding charges related to accelerated depreciation.

(3) Fiscal 2024, fiscal 2023, fiscal 2022, and fiscal 2021 include acquisition and due diligence costs.

(4) Fiscal 2023, fiscal 2022, and fiscal 2021 represent the reduction of bad debt charges previously taken on pre-pandemic trade receivable balances in fiscal 2020.

(5) Fiscal 2023 primarily includes a pension settlement charge of $315 million that resulted from the purchase of a nonparticipating single premium group annuity contract that transferred defined benefit plan obligations to an insurer and $122 million in income from a litigation financing agreement. Fiscal 2021 includes $23 million of loss from the sale of businesses and other non-recurring gains and losses.

(6) In arriving at adjusted EBITDA, Sysco does not adjust out interest income of $38 million or non-cash stock compensation expense of $104 million in fiscal 2024, interest income of $24 million or non-cash stock compensation expense of $95 million in fiscal 2023, interest income of $7 million or non-cash stock compensation expense of $122 million in fiscal 2022, and interest income of $15 million or non-cash stock compensation expense of $96 million in fiscal 2021.

Net Debt to Adjusted EBITDA Leverage Ratio Targets

We expect to achieve our net debt to adjusted EBITDA leverage ratio forecast in fiscal 2025. 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:

Current maturities of long-term debt
Long term debt
Total Debt (GAAP)
Less cash and cash equivalents
Net Debt (Non-GAAP)

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
EBITDA adjusted for Certain Items (Non-GAAP)

Total Debt to Net Earnings Ratio (GAAP)
Total Debt to Adjusted EBITDA Ratio (Non-GAAP)
Net Debt to Adjusted EBITDA Ratio (Non-GAAP)