



Fiscal Q2 2025 Earnings Results

January 28, 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. 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: 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 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 expectations regarding the benefits of the six-day delivery and last mile distribution models; our plans to improve the capabilities of our sales team; our plans to refine our engineering labor standards; our expectations to exceed our growth target by the end of fiscal 2025; 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 projected in such forward-looking statements based on numerous factors, including those outside of Sysco's control. Therefore, you should not place undue reliance on any of the forward-looking statements contained herein. 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 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



**World-class
Fleet**



**The Tools
You Need**

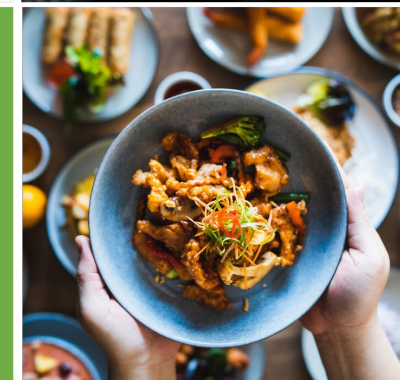


Global Scale



**Industry
Leading Service**

**Foodie
Experts**



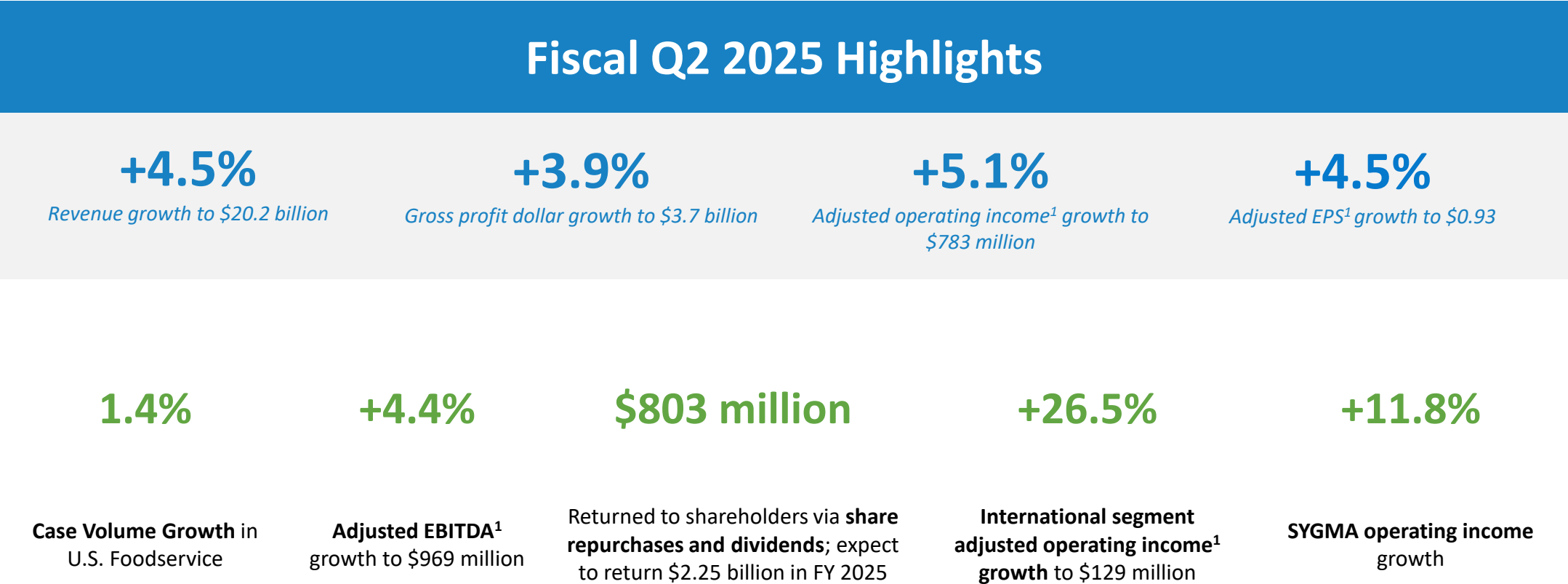
**On-trend
Products**

Food Supply Chain



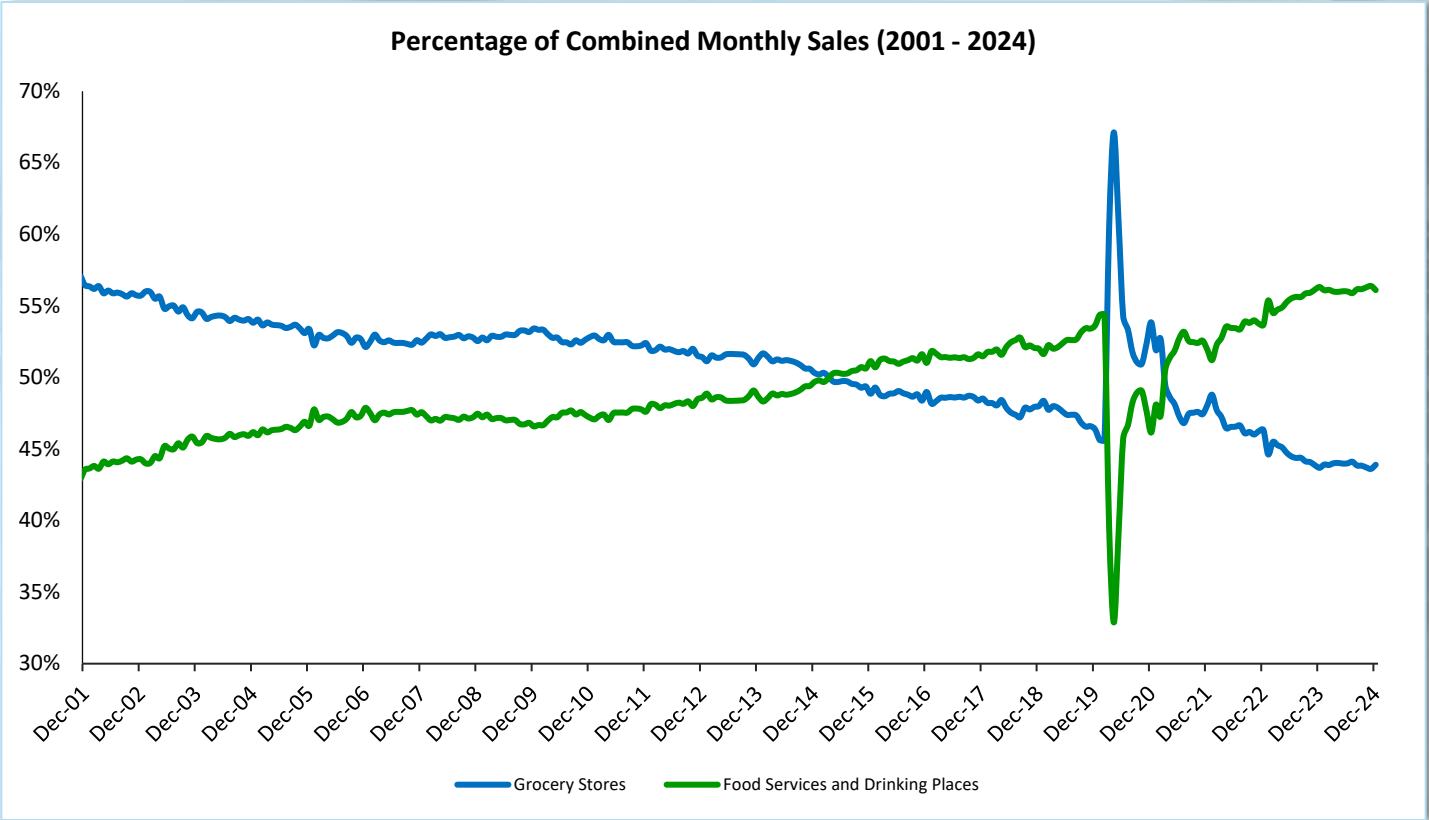
Food Sales & Marketing

Q2: Volume Growth Across USFS, International, and SYGMA leads to Top- and Bottom-Line Growth

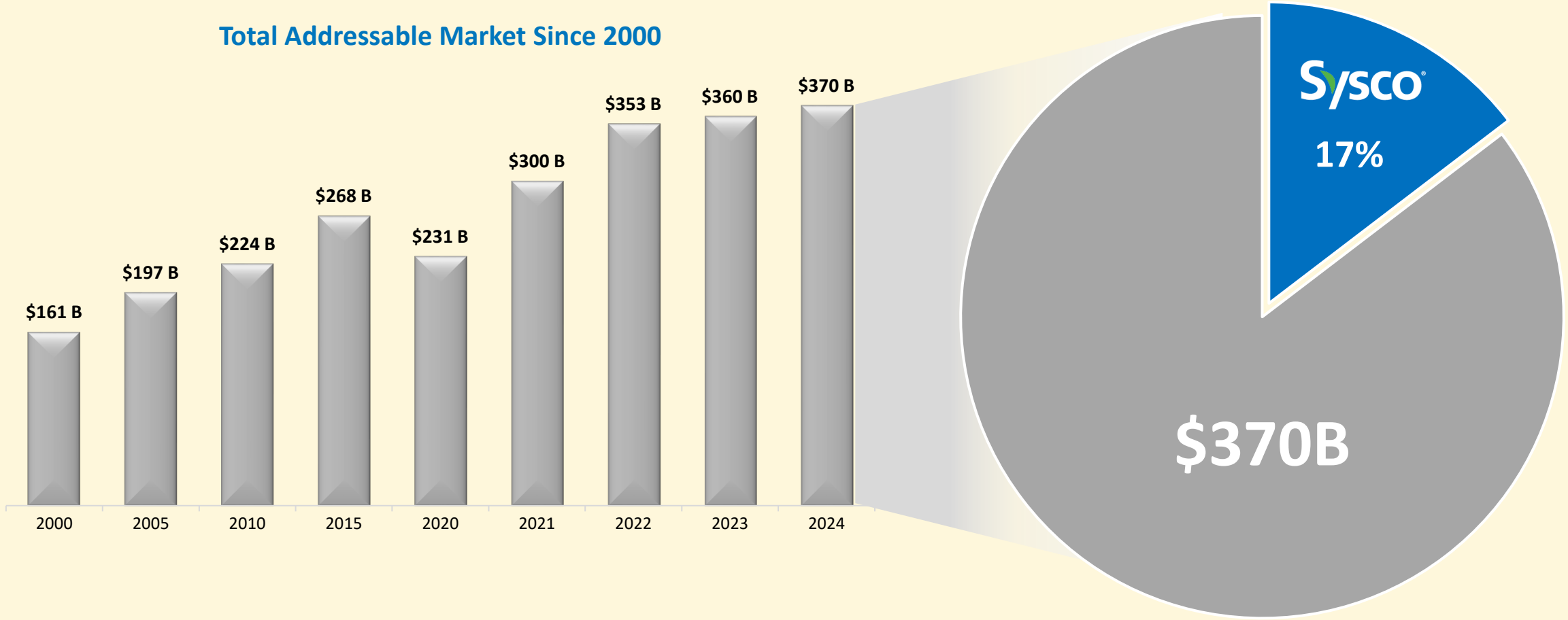


Note: Growth rates compared to fiscal Q2 2024
¹ See Non-GAAP reconciliations at the end of the presentation.

Food Away From Home Continues to Gain Share

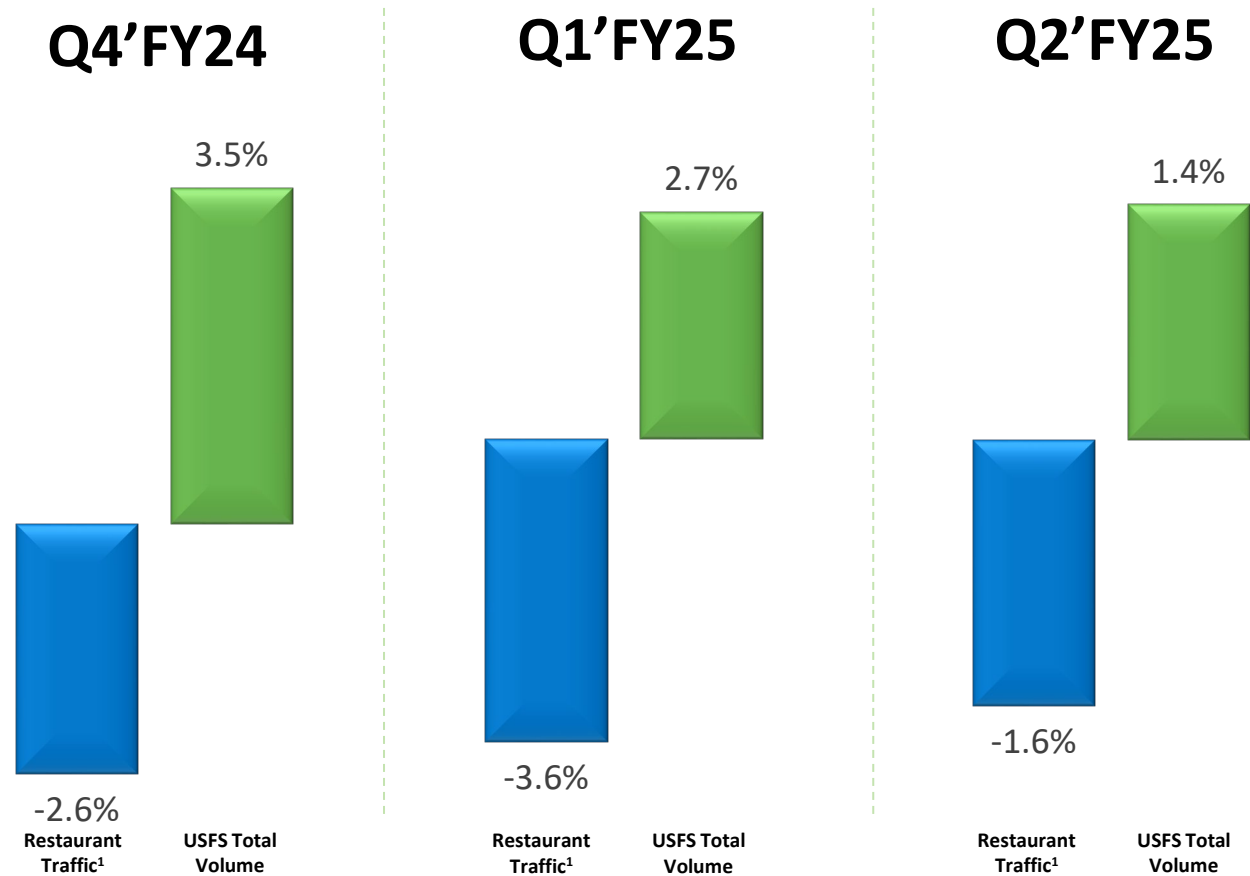


Market Leader in the Highly Fragmented and Growing Foodservice Distribution Industry



Source: Technomic U.S. Foodservice Industry Wallchart for Calendar Year, updated September 2024

Sysco Continues to Outperform the Restaurant Industry

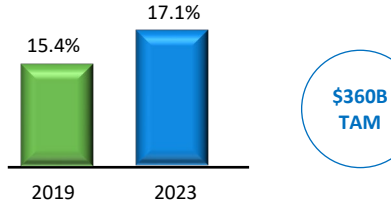


- Sysco continues to grow total case volumes despite negative foot traffic to the restaurant industry
 - Q2'FY25: USFS total volumes outperformed restaurant traffic by 300 bps
 - Q1'FY25: USFS total volumes outperformed restaurant traffic by 630 bps
 - Q4'FY24: USFS total volumes outperformed restaurant traffic by 610 bps

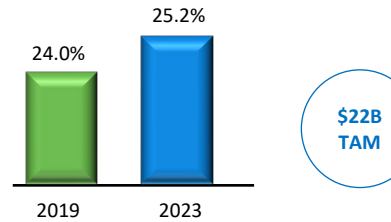
¹ Source: Blackbox Intelligence as of 1/13/25

Sysco is the Backbone of the Food Away From Home Industry and is Growing its Share

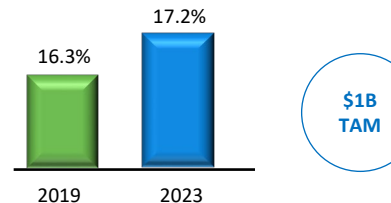
United States: #1 Position



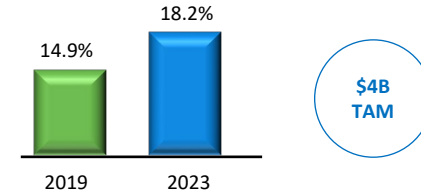
Canada: #1 Position



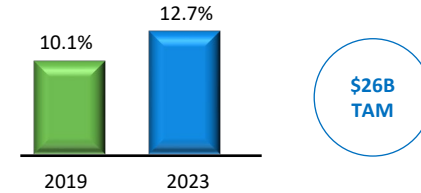
Costa Rica: #1 Position



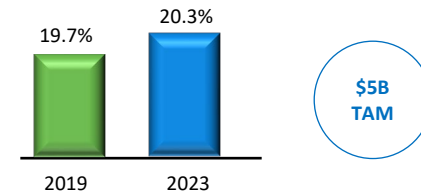
Ireland: #1 Position



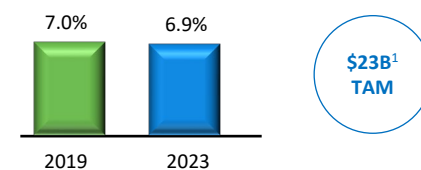
Great Britain: #1 Position



Sweden: #2 Position



France: #3 Position



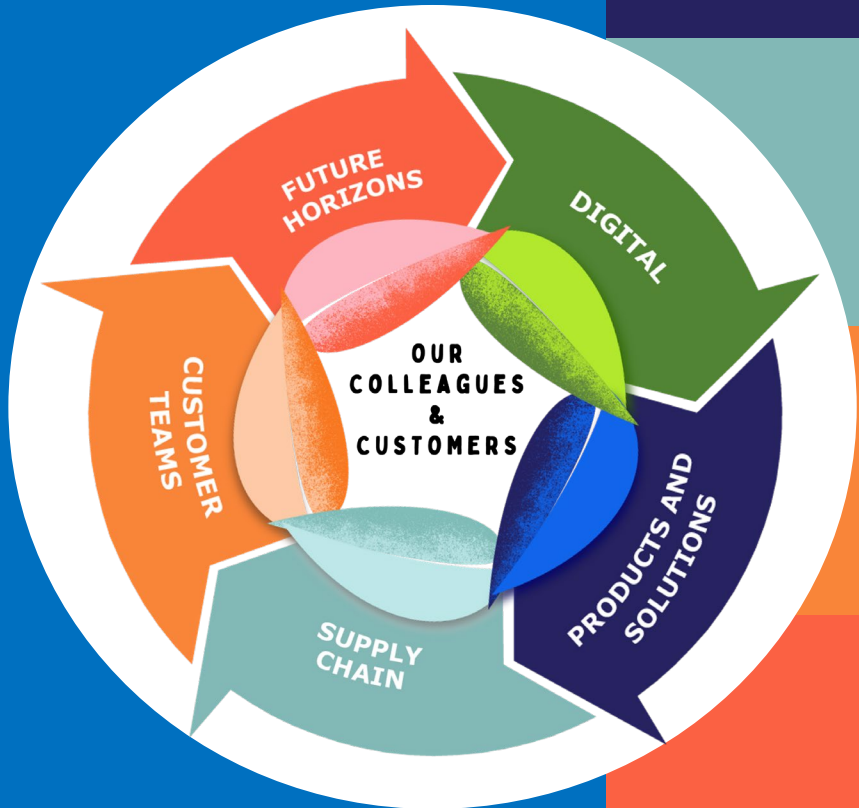
**FY2024 Total
Sysco Sales**

\$78.8B
In Annual Sales

~730K
Customer Locations

76K+
Colleagues Across the Globe

Sysco's Recipe For Growth is Creating Multiple Vectors to Drive Long-term, Profitable Growth



DIGITAL
Enrich the customer experience through personalized digital tools that reduce friction in the purchase experience and introduce innovation to our customers

PRODUCTS AND SOLUTIONS
Customer focused marketing and merchandising solutions that inspire increased sales of our broad assortment of fair priced products and services

SUPPLY CHAIN
Efficiently and consistently serve our customers with the products they need, when and how they need them, through a flexible delivery framework

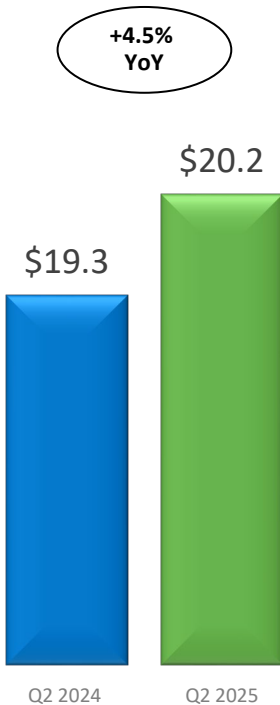
CUSTOMER TEAMS
Our greatest strength is our people. People who are passionate about food and food service. Our diverse team delivers expertise and differentiates services designed to help our customers grow their business

FUTURE HORIZONS
We are committed to responsible growth. We will cultivate new channels, segments, and capabilities while being stewards of our company and our planet for the long-term. We will fund our journey through cost-out and efficiency improvements

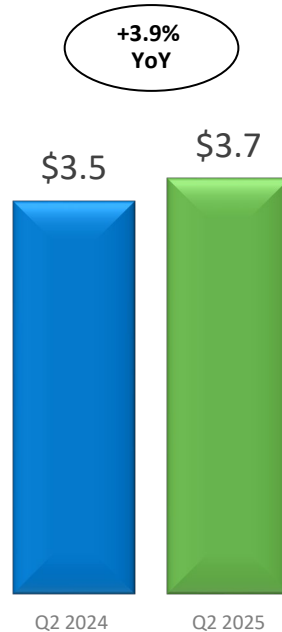


Q2 Consolidated Results: Revenue +4.5% and Adj. Operating Income +5.1%

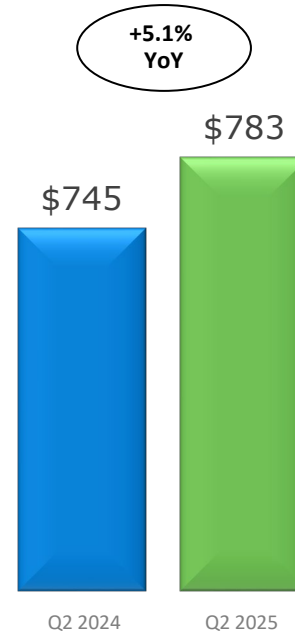
Net Sales (billions)



Gross Profit (billions)



Adj. Operating Income¹ (millions)



- Ongoing expansion of sales, profitability and adj. operating income
- Negative industry traffic trends in Q2, with Sysco delivering sales and volume growth
- Adj. EBITDA¹ of \$969 million increased 4.4% YoY
- Adj. EPS¹ of \$0.93 increased 4.5% YoY
 - USFS volume grew 1.4% YoY; Local volume declined 0.9%
 - International revenue growth of 3.6% YoY and adjusted operating income¹ growth of 26.5% YoY

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

In Summary

- ✓ Sales Growth of +4.5% with increased USFS and International volume
- ✓ Expanding profitability and adjusted EPS
- ✓ Increasing capacity enabling the ability to achieve profitable local case growth with clear line of sight
- ✓ Reiterate FY25 Guidance: Target to Deliver +4-5% Sales Growth and +6-7% adjusted EPS Growth
- ✓ Leverage Our Global Footprint to Fuel Our Growth and Execute Our Strategy the Sysco Way



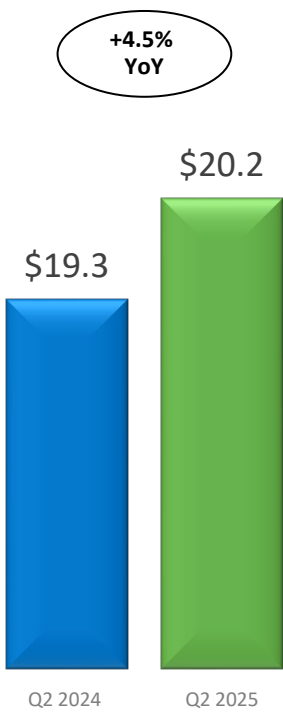


KENNY CHEUNG

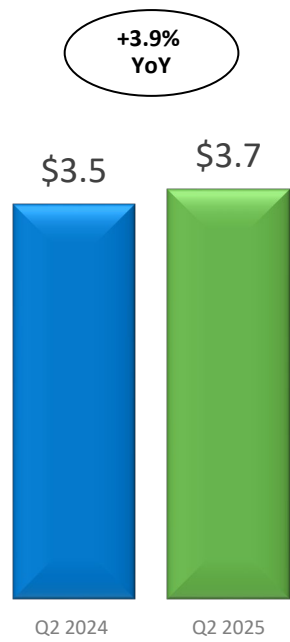
EXECUTIVE VICE PRESIDENT AND
CHIEF FINANCIAL OFFICER

Q2 2025 Consolidated Results

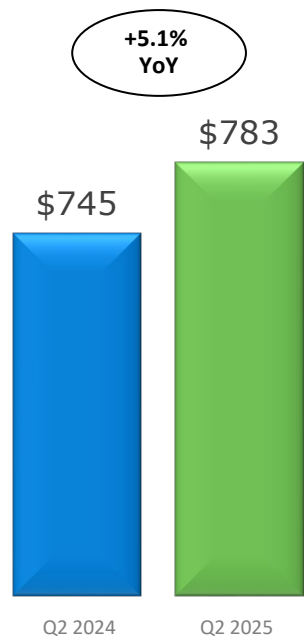
Net Sales (billions)



Gross Profit (billions)



Adj. Operating Income¹ (millions)



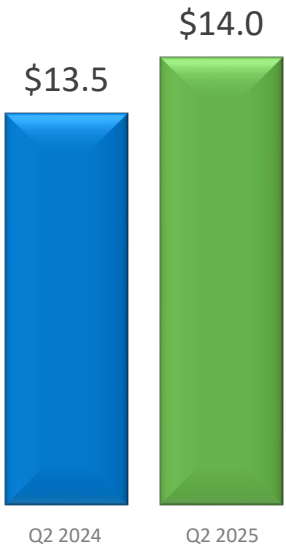
- Ongoing expansion of sales, profitability and adj. operating income
- Negative industry traffic trends in Q2, with Sysco delivering sales and volume growth
- Sales continue to increase in-line with guidance and our algorithm
- Gross profit dollar growth of 3.9% YoY
- Adj. EBITDA¹ of \$969 million increased 4.4% YoY
- Adj. EPS¹ of \$0.93 increased 4.5% YoY

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

Q2 2025 U.S. Foodservice Results

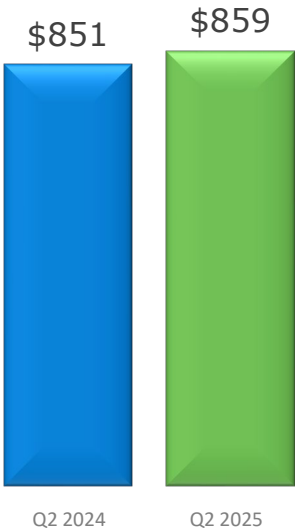
Net Sales (billions)

+4.1%
YoY



Adj. Operating Income¹ (millions)

0.9%
YoY



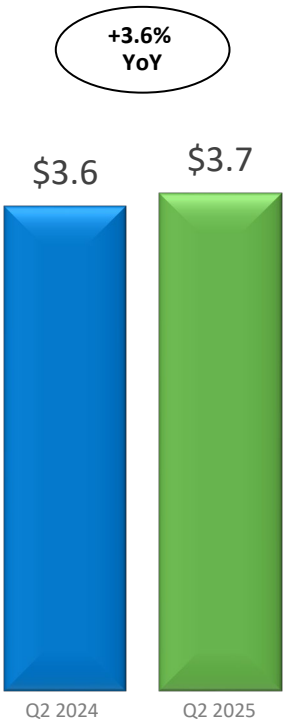
Q2 2025 GAAP Operating Income
-0.6% to \$834 million

- Revenue growth of 4.1% YoY
- USFS volumes increased 1.4% YoY
- Local volumes decreased 0.9% YoY
- Gross profit dollars grew 2.9% to \$2.7 billion
- Adj. operating income¹ increased 0.9% YoY, GAAP operating income declined 0.6% YoY

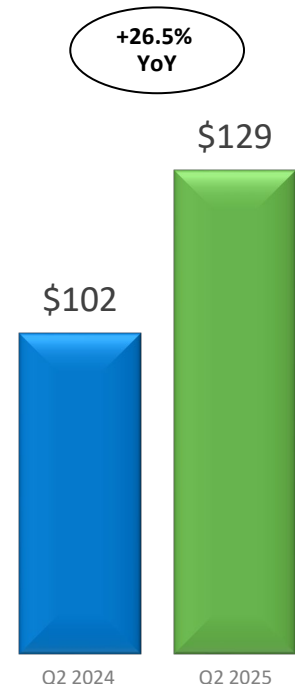
¹ See Non-GAAP reconciliations at the end of the presentation.

Q2 2025 International Results

Net Sales (billions)



Adj. Operating Income¹ (millions)



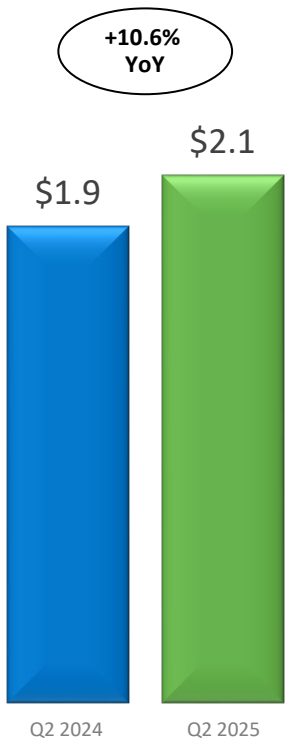
Q2 2025 GAAP Operating Income
+14.5% to \$95 million

- Sales increased 3.6% YoY, or 4.2% on a constant currency basis
- Adj. operating income¹ increased 26.5%
- Strong profit being generated by growing local case growth, effective margin management and the expansion of the assortment of Sysco brands to win local business

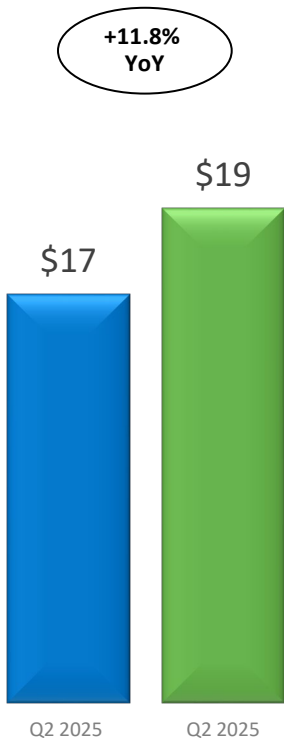
¹ See Non-GAAP reconciliations at the end of the presentation

Q2 2025 SYGMA Results

Net Sales (billions)



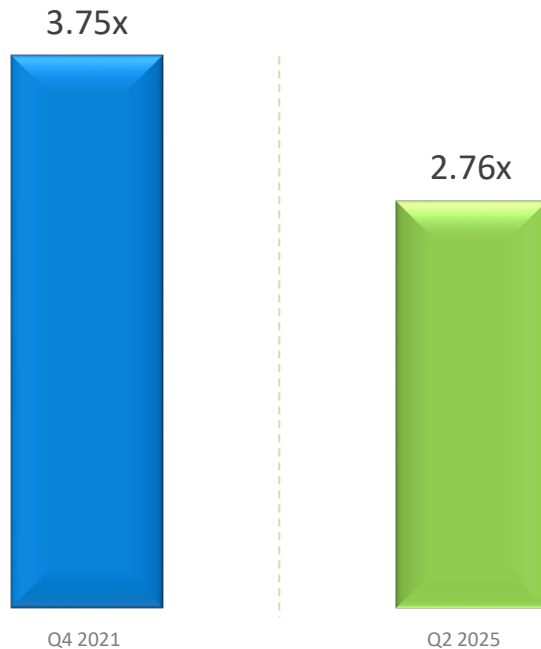
Operating Income (millions)



- Sales increased 10.6% YoY
- Operating income grew 11.8% YoY
- Continued segment sales and volume growth after shifting the customer base to a more favorable mix
- Focus on operational improvements enhancing productivity and improving profitability
- SYGMA will maintain strong top- and bottom-line performance throughout the rest of the year

Strong Balance Sheet, Strong Investment Grade Credit Rating

Net Debt to Adj. EBITDA¹

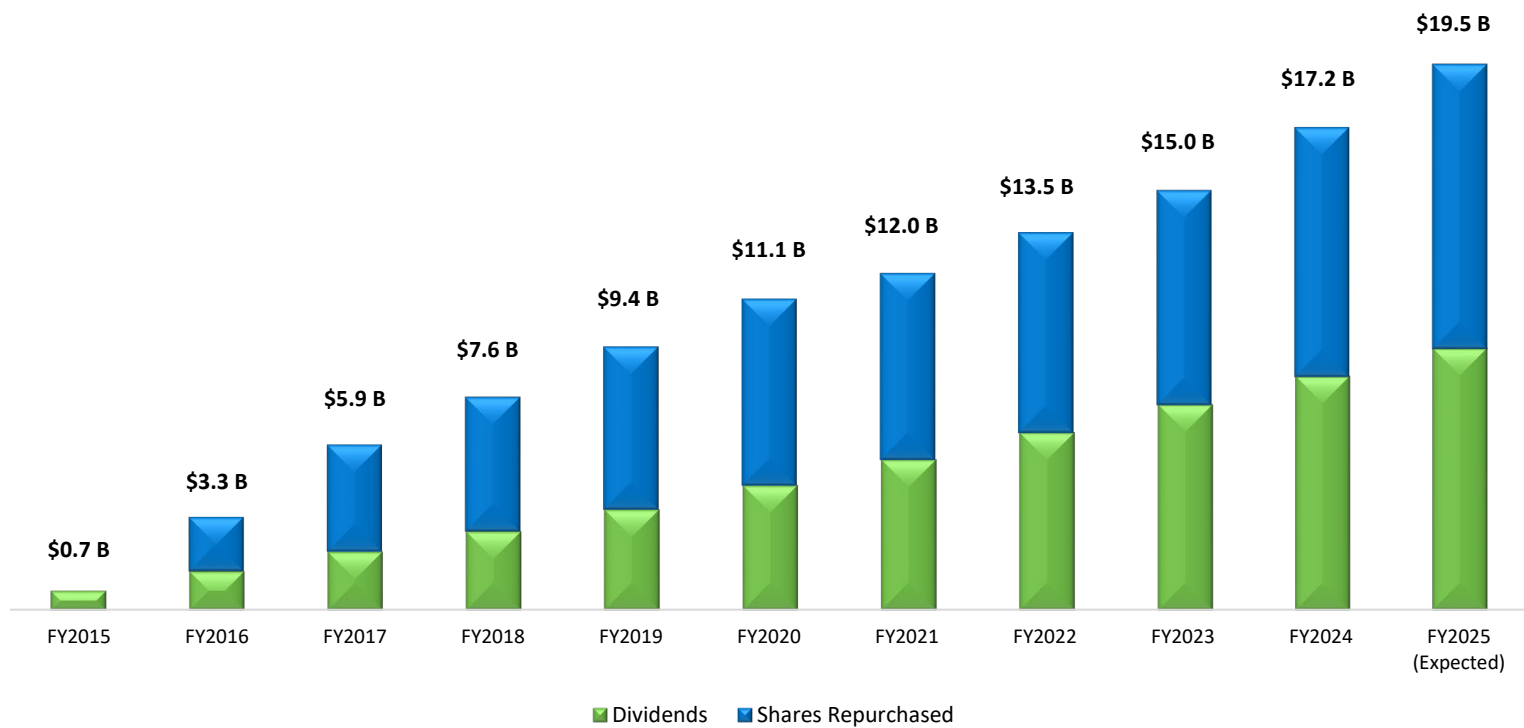


- Ended the quarter with a 2.76x net debt leverage ratio¹, slightly above our target range of 2.5-2.75x
- Committed to Investment Grade debt rating
- Ended the quarter with \$11.8 billion in net debt¹ and approximately \$3.1 billion in total liquidity, providing substantial headroom above our minimum threshold.
- Debt is well laddered

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

Strong Cash Generation Drives Shareholder Returns

Cumulative Cash Returned to Shareholders



*Over \$19 Billion of Cash Expected to be Returned to Shareholders through FY25
Update: Now Expecting to Target to Return \$2.25 Billion to Shareholders in FY25*

Fiscal Year 2025 Guidance

Sales Growth

4 – 5%

Adj. EPS Growth^{1,2}

6 – 7%

- Reiterating FY 2025 Guidance
- Net sales growth includes contributions from inflation, low single-digit volume growth, and a slight benefit from M&A during the year.
- Increasing our expectation to return essentially all our free cash flow to shareholders via:
 - \$1 billion of dividends
 - **Update:** \$1.25 billion of share repurchases

¹Includes impact of global minimum tax headwinds to EPS growth in FY25.

² See Non-GAAP reconciliations at the end of the presentation.

Compelling Investment Opportunity

1

Market leader in foodservice with key strategic advantages and significant scale, **benefitting from food away from home trends**

2

Resilient business model, balanced across end geographies, channels and product mixes

3

Multiple vectors of growth in core volumes and through M&A across local, chain, specialty and international business

4

Strong operational excellence and deliver **industry leading margins and strong return on capital** through disciplined approach

5

Balanced growth and capital allocation strategy targeting compelling **9-11% total shareholder return**

6

Track record of dividend growth and share repurchases while maintaining an investment grade balance sheet



NON-GAAP RECONCILIATIONS



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; and (4) acquisition-related costs consisting of (a) intangible amortization expense and (b) acquisition costs and due diligence costs related to our acquisitions.

The results of our operations can be impacted due to changes in exchange rates applicable in converting local currencies to U.S. dollars. We measure our 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, operating margin, 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 2025 and fiscal 2024.

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, Q2 FY25 vs. Q2 FY24
(Dollars in Millions, Except for Share and Per Share Data)

	13-Week Period Ended Dec. 28, 2024	13-Week Period Ended Dec. 30, 2023	Change in Dollars	%/bps Change
Sales (GAAP)	\$ 20,151	\$ 19,288	\$ 863	4.5%
Impact of currency fluctuations (1)	21	21	21	0.1%
Comparable sales using a constant currency basis (Non-GAAP)	<u>\$ 20,172</u>	<u>\$ 19,288</u>	<u>\$ 884</u>	<u>4.6%</u>
 Cost of sales (GAAP)	 \$ 16,501	 \$ 15,774	 \$ 727	 4.6%
Gross profit (GAAP)	\$ 3,650	\$ 3,514	\$ 136	3.9%
Impact of currency fluctuations (1)	1	1	1	0.0%
Comparable gross profit adjusted for Certain Items using a constant currency basis (Non-GAAP)	<u>\$ 3,651</u>	<u>\$ 3,514</u>	<u>\$ 137</u>	<u>3.9%</u>
 Gross margin (GAAP)	 18.11%	 18.22%		 -11 bps
Impact of currency fluctuations (1)	-0.01%			-1 bp
Comparable gross margin adjusted for Certain Items using a constant currency basis (Non-GAAP)	<u>18.10%</u>	<u>18.22%</u>		<u>-12 bps</u>
 Operating expenses (GAAP)	 \$ 2,938	 \$ 2,814	 \$ 124	 4.4%
Impact of restructuring and transformational project costs (2)	(31)	(14)	(17)	NM
Impact of acquisition-related costs (3)	(40)	(31)	(9)	-29.0%
Operating expenses adjusted for Certain Items (Non-GAAP)	2,867	2,769	98	3.5%
Impact of currency fluctuations (1)	(1)	(1)	(1)	0.0%
Comparable operating expenses adjusted for Certain Items using a constant currency basis (Non-GAAP)	<u>\$ 2,866</u>	<u>\$ 2,769</u>	<u>\$ 97</u>	<u>3.5%</u>
 Operating expense as a percentage of sales (GAAP)	 14.58%	 14.59%		 -1 bps
Impact of certain items adjustments	-0.35%	-0.23%		-12 bps
Adjusted operating expense as a percentage of sales (Non-GAAP)	<u>14.23%</u>	<u>14.36%</u>		<u>-13 bps</u>
 Operating income (GAAP)	 \$ 712	 \$ 700	 \$ 12	 1.7%
Impact of restructuring and transformational project costs (2)	31	14	17	NM
Impact of acquisition-related costs (3)	40	31	9	29.0%
Operating income adjusted for Certain Items (Non-GAAP)	783	745	38	5.1%
Impact of currency fluctuations (1)	2	2	2	0.3%
Comparable operating income adjusted for Certain Items using a constant currency basis (Non-GAAP)	<u>\$ 785</u>	<u>\$ 745</u>	<u>\$ 40</u>	<u>5.4%</u>

Sysco Corporation and its Consolidated Subsidiaries

Non-GAAP Reconciliation (Unaudited)

Impact of Certain Items, Q2 FY25 vs. Q2 FY24

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

Operating margin (GAAP)	3.53%	3.63%	-10 bps	
Operating margin adjusted for Certain Items (Non-GAAP)	3.89%	3.86%	3 bps	
Operating margin adjusted for Certain Items on a constant currency basis (Non-GAAP)	3.89%	3.86%	3 bps	
Net earnings (GAAP)	\$ 406	\$ 415	\$ (9)	-2.2%
Impact of restructuring and transformational project costs (2)	31	14	17	NM
Impact of acquisition-related costs (3)	40	31	9	29.0%
Tax impact of restructuring and transformational project costs (4)	(8)	(3)	(5)	NM
Tax impact of acquisition-related costs (4)	(11)	(8)	(3)	-37.5%
Net earnings adjusted for Certain Items (Non-GAAP)	<u>\$ 458</u>	<u>\$ 449</u>	<u>\$ 9</u>	<u>2.0%</u>
Diluted earnings per share (GAAP)	\$ 0.82	\$ 0.82	\$ -	0.0%
Impact of restructuring and transformational project costs (2)	0.06	0.03	0.03	100.0%
Impact of acquisition-related costs (3)	0.08	0.06	0.02	33.3%
Tax impact of restructuring and transformational project costs (4)	(0.02)	(0.01)	(0.01)	-100.0%
Tax impact of acquisition-related costs (4)	(0.02)	(0.02)	-	0.0%
Diluted earnings per share adjusted for Certain Items (Non-GAAP) (5)	<u>\$ 0.93</u>	<u>\$ 0.89</u>	<u>\$ 0.04</u>	<u>4.5%</u>
Diluted shares outstanding	492,803,849	505,929,342		

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

(2) Fiscal 2025 includes \$12 million related to restructuring and severance charges and \$19 million related to various transformation initiative costs, primarily consisting of supply chain transformation costs and changes to our business technology strategy. Fiscal 2024 includes \$2 million related to restructuring and severance charges and \$11 million related to various transformation initiative costs, primarily consisting of changes to our business technology strategy.

(3) Fiscal 2025 includes \$32 million of intangible amortization expense and \$8 million in acquisition and due diligence costs. Fiscal 2024 includes \$29 million of intangible amortization expense and \$2 million in acquisition and due diligence costs.

(4) 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.

(5) 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.

NM represents that the percentage change is not meaningful.

Sysco Corporation and its Consolidated Subsidiaries

Segment Results

Non-GAAP Reconciliation (Unaudited)

Impact of Certain Items on Applicable Segments, Q2 FY25 vs. Q2 FY24

(Dollars in Millions)

	13-Week Period Ended Dec. 28, 2024	13-Week Period Ended Dec. 30, 2023	Change in Dollars	%/bps Change
U.S. FOODSERVICE OPERATIONS				
Sales (GAAP)	\$ 14,044	\$ 13,494	\$ 550	4.1%
Gross Profit (GAAP)	\$ 2,654	\$ 2,578	\$ 76	2.9%
Gross Margin (GAAP)	18.90%	19.10%		-20 bps
Operating expenses (GAAP)	\$ 1,820	\$ 1,739	\$ 81	4.7%
Impact of restructuring and transformational project costs (1)	(5)	-	(5)	NM
Impact of acquisition-related costs (2)	(20)	(12)	(8)	-66.7%
Operating expenses adjusted for Certain Items (Non-GAAP)	<u>\$ 1,795</u>	<u>\$ 1,727</u>	<u>\$ 68</u>	<u>3.9%</u>
Operating income (GAAP)	\$ 834	\$ 839	\$ (5)	-0.6%
Impact of restructuring and transformational project costs (1)	5	-	5	NM
Impact of acquisition-related costs (2)	20	12	8	66.7%
Operating income adjusted for Certain Items (Non-GAAP)	<u>\$ 859</u>	<u>\$ 851</u>	<u>\$ 8</u>	<u>0.9%</u>
INTERNATIONAL FOODSERVICE OPERATIONS				
Sales (GAAP)	\$ 3,728	\$ 3,597	\$ 131	3.6%
Impact of currency fluctuations (3)	20	-	20	0.6%
Comparable sales using a constant currency basis (Non-GAAP)	<u>\$ 3,748</u>	<u>\$ 3,597</u>	<u>\$ 151</u>	<u>4.2%</u>
Gross Profit (GAAP)	\$ 760	\$ 708	\$ 52	7.3%
Impact of currency fluctuations (3)	-	-	-	0.0%
Comparable gross profit using a constant currency basis (Non-GAAP)	<u>\$ 760</u>	<u>\$ 708</u>	<u>\$ 52</u>	<u>7.3%</u>
Gross Margin (GAAP)	20.39%	19.68%		71 bps
Impact of currency fluctuations (3)	-0.11%	-		-11 bps
Comparable gross margin using a constant currency basis (Non-GAAP)	<u>20.28%</u>	<u>19.68%</u>		<u>60 bps</u>
Operating expenses (GAAP)	\$ 665	\$ 625	\$ 40	6.4%
Impact of restructuring and transformational project costs (4)	(15)	(2)	(13)	NM
Impact of acquisition-related costs (5)	(19)	(17)	(2)	-11.8%
Operating expenses adjusted for Certain Items (Non-GAAP)	631	606	25	4.1%
Impact of currency fluctuations (3)	(1)	-	(1)	-0.1%
Comparable operating expenses adjusted for Certain Items using a constant currency basis (Non-GAAP)	<u>\$ 630</u>	<u>\$ 606</u>	<u>\$ 24</u>	<u>4.0%</u>
Operating income (GAAP)	\$ 95	\$ 83	\$ 12	14.5%
Impact of restructuring and transformational project costs (4)	15	2	13	NM
Impact of acquisition-related costs (5)	19	17	2	11.8%
Operating income adjusted for Certain Items (Non-GAAP)	129	102	27	26.5%
Impact of currency fluctuations (3)	1	-	1	1.0%
Comparable operating income adjusted for Certain Items using a constant currency basis (Non-GAAP)	<u>\$ 130</u>	<u>\$ 102</u>	<u>\$ 28</u>	<u>27.5%</u>
SYGMA				
Sales (GAAP)	\$ 2,116	\$ 1,914	\$ 202	10.6%
Gross Profit (GAAP)	163	149	14	9.4%
Gross Margin (GAAP)	7.70%	7.78%		-8 bps
Operating expenses (GAAP)	\$ 144	\$ 132	\$ 12	9.1%
Operating income (GAAP)	19	17	2	11.8%

Sysco Corporation and its Consolidated Subsidiaries

Segment Results

Non-GAAP Reconciliation (Unaudited)

Impact of Certain Items on Applicable Segments, Q2 FY25 vs. Q2 FY24

(Dollars in Millions) continued

OTHER

Sales (GAAP)	\$	263	\$	283	\$	(20)	-7.1%
Gross Profit (GAAP)	\$	65	\$	73	\$	(8)	-11.0%
Gross Margin (GAAP)		24.71%		25.80%			-109 bps
Operating expenses (GAAP)	\$	61	\$	65	\$	(4)	-6.2%
Operating income (GAAP)	\$	4	\$	8	\$	(4)	-50.0%

GLOBAL SUPPORT CENTER

Gross Profit (GAAP)	\$	8	\$	6	\$	2	33.3%
Operating expenses (GAAP)	\$	248	\$	253	\$	(5)	-2.0%
Impact of restructuring and transformational project costs (6)		(11)		(12)		1	8.3%
Impact of acquisition related costs (7)		(1)		(2)		1	50.0%
Operating expenses adjusted for Certain Items (Non-GAAP)	<u>\$</u>	<u>236</u>	<u>\$</u>	<u>239</u>	<u>\$</u>	<u>(3)</u>	<u>-1.3%</u>
Operating loss (GAAP)	\$	(240)	\$	(247)	\$	7	2.8%
Impact of restructuring and transformational project costs (6)		11		12		(1)	-8.3%
Impact of acquisition related costs (7)		1		2		(1)	-50.0%
Operating loss adjusted for Certain Items (Non-GAAP)	<u>\$</u>	<u>(228)</u>	<u>\$</u>	<u>(233)</u>	<u>\$</u>	<u>5</u>	<u>2.1%</u>

TOTAL SYSCO

Sales	\$	20,151	\$	19,288	\$	863	4.5%
Gross Profit	\$	3,650	\$	3,514	\$	136	3.9%
Gross Margin		18.11%		18.22%			-11 bps
Operating expenses (GAAP)	\$	2,938	\$	2,814	\$	124	4.4%
Impact of restructuring and transformational project costs (1)(4)(6)		(31)		(14)		(17)	NM
Impact of acquisition-related costs (2)(5)(7)		(40)		(31)		(9)	-29.0%
Operating expenses adjusted for Certain Items (Non-GAAP)	<u>\$</u>	<u>2,867</u>	<u>\$</u>	<u>2,769</u>	<u>\$</u>	<u>98</u>	<u>3.5%</u>
Operating income (GAAP)	\$	712	\$	700	\$	12	1.7%
Impact of restructuring and transformational project costs (1)(4)(6)		31		14		17	NM
Impact of acquisition-related costs (2)(5)(7)		40		31		9	29.0%
Operating income adjusted for Certain Items (Non-GAAP)	<u>\$</u>	<u>783</u>	<u>\$</u>	<u>745</u>	<u>\$</u>	<u>38</u>	<u>5.1%</u>

(1) Primarily represents severance and transformation initiative costs.

(2) Fiscal 2025 and fiscal 2024 include intangible amortization expense and acquisition costs.

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

(4) Includes restructuring and transformation costs primarily in Europe.

(5) Primarily represents intangible amortization expense and acquisition costs.

(6) Includes various transformation initiative costs, primarily consisting of changes to our business technology strategy.

(7) Represents due diligence costs.

NM represents that the percentage change is not meaningful.

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

EBITDA represents net earnings (loss) plus (i) interest expense, (ii) income tax expense and benefit, (iii) depreciation and (iv) amortization. The net earnings (loss) 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 financial 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 (Q2 FY25 vs. Q2 FY24)

(In Millions)

	13-Week Period Ended Dec. 28, 2024	13-Week Period Ended Dec. 30, 2023	Change in Dollars	%/bps Change
Net earnings (GAAP)	\$ 406	\$ 415	\$ (9)	-2.2%
Interest (GAAP)	160	150	10	6.7%
Income taxes (GAAP)	127	130	(3)	-2.3%
Depreciation and amortization (GAAP)	238	219	19	8.7%
EBITDA (Non-GAAP)	\$ 931	\$ 914	\$ 17	1.9%
Certain Item adjustments:				
Impact of restructuring and transformational project costs (1)	30	11	19	NM
Impact of acquisition-related costs (2)	8	3	5	NM
EBITDA adjusted for Certain Items (Non-GAAP) (3)	\$ 969	\$ 928	\$ 41	4.4%
Other expense (income), net (4)	19	5	14	NM
Depreciation and amortization, as adjusted (Non-GAAP) (5)	(205)	(188)	(17)	-9.0%
Operating income adjusted for Certain Items (Non-GAAP)	<u>\$ 783</u>	<u>\$ 745</u>	<u>\$ 38</u>	<u>5.1%</u>

(1) Fiscal 2025 and fiscal 2024 include charges related to restructuring and severance, as well as various transformation initiative costs, primarily consisting of supply chain transformation costs and changes to our business technology strategy, excluding charges related to accelerated depreciation.

(2) Fiscal 2025 and fiscal 2024 include acquisition and due diligence costs.

(3) In arriving at adjusted EBITDA, Sysco does not adjust out interest income of \$7 million and \$9 million or non-cash stock compensation expense of \$30 million and \$29 million in fiscal 2025 and fiscal 2024, respectively.

(4) Fiscal 2025 represents \$19 million in GAAP other expense (income), net. Fiscal 2024 represents \$5 million in GAAP other expense (income), net.

(5) Fiscal 2025 includes \$238 million in GAAP depreciation and amortization expense, less \$33 million of Non-GAAP depreciation and amortization expense primarily related to acquisitions. Fiscal 2024 includes \$219 million in GAAP depreciation and amortization expense, less \$32 million of Non-GAAP depreciation and amortization expense primarily related to acquisitions.

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 Millions)

Net Debt to Adjusted EBITDA is a non-GAAP financial measure frequently used by investors and credit rating agencies. 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.

	December 28, 2024
Current Maturities of long-term debt	\$ 1,222
Long-term debt	11,393
Total Debt	12,615
Cash & Cash Equivalents	(793)
Net Debt	\$ 11,822
Adjusted EBITDA for the previous 12 months	\$ 4,278
Debt/Adjusted EBITDA Ratio	2.95
Net Debt/Adjusted EBITDA Ratio	2.76

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)

	13-Week Period Ended Dec. 28, 2024	13-Week Period Ended Sep. 28, 2024	13-Week Period Ended Jun. 29, 2024	13-Week Period Ended Mar. 30, 2024	Total
Net earnings (GAAP)	\$ 406	\$ 490	\$ 612	\$ 425	\$ 1,933
Interest (GAAP)	160	160	165	158	643
Income taxes (GAAP)	127	152	192	129	600
Depreciation and amortization (GAAP)	238	235	226	221	920
EBITDA (Non-GAAP)	\$ 931	\$ 1,037	\$ 1,195	\$ 933	\$ 4,096
Certain Item adjustments:					
Impact of restructuring and transformational project costs (1)	30	26	60	27	143
Impact of acquisition-related costs (2)	8	6	8	17	39
EBITDA adjusted for Certain Items (Non-GAAP) (3)	<u>\$ 969</u>	<u>\$ 1,069</u>	<u>\$ 1,263</u>	<u>\$ 977</u>	<u>\$ 4,278</u>

(1) Includes charges related to restructuring and severance, as well as various transformation initiative costs, primarily consisting of supply chain transformation costs and changes to our business technology strategy, excluding charges related to accelerated depreciation.

(2) Includes acquisition and due diligence costs.

(3) In arriving at adjusted EBITDA, Sysco does not adjust out interest income of \$7 million or non-cash stock compensation expense of \$30 million in Q2 fiscal 2025, interest income of \$7 million or non-cash stock compensation expense of \$30 million in Q1 fiscal 2025, interest income of \$10 million or non-cash stock compensation expense of \$27 million in Q4 fiscal 2024, and interest income of \$7 million or non-cash stock compensation expense of \$24 million in Q3 fiscal 2024.

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

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)

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 certain items that would be included in the most directly comparable GAAP measure for the relevant future periods. Due to these uncertainties, we cannot provide a quantitative reconciliation of projected adjusted EPS 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.