## Sysco Corporation and its Consolidated Subsidiaries
## Non-GAAP Reconciliation (Unaudited)
## Impact of Certain Items

Our discussion below of our results includes certain non-GAAP financial measures 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 and exclude the impact from restructuring costs consisting of: (1) expenses associated with our revised business technology strategy announced in fiscal 2016, as a result of which we incurred costs to convert to a modernized version of our established platform as opposed to completing the implementation of an ERP; (2) professional fees related to our three-year strategic plans; (3) restructuring expenses within our Brakes Group operations; (4) severance charges related to restructuring; and (5) foreign non-income based taxes. In addition, fiscal 2018 results of operations are impacted by business technology transformation initiative costs, facility closure charges, multiemployer pension (MEPP) withdrawal charges and debt extinguishment charges.

The non-GAAP financial measures presented in this report also exclude the impact of the following acquisition-related items: (1) intangible amortization expense and (2) integration costs. All acquisition-related costs in fiscal 2018 and 2017 that have been excluded relate to the fiscal 2017 acquisition of Cucina Lux Investments Limited (the Brakes Acquisition). The Brakes acquisition also resulted in non-recurring tax expense in fiscal 2017, primarily from non-deductible transaction costs.

The non-GAAP financial measures presented in this report further exclude the impact of the Tax Cuts and Jobs Act of 2017 (the Tax Act) enacted on December 22, 2017. The impact for fiscal 2018 includes: a provisional estimate of a one-time transition tax on certain unrepatriated earnings of foreign subsidiaries and a net benefit from remeasuring Sysco's accrued income taxes, deferred tax liabilities and deferred tax assets due to the changes in tax rates. Other tax-related items impacting results of operations include foreign withholding taxes on repatriated earnings, net of foreign tax credits and a benefit from contributions made to fund Sysco's tax-qualified United States (U.S.) pension plan (the Pension Plan).

The fiscal 2018 and fiscal 2017 items described above and excluded from our non-GAAP measures are collectively referred to as "Certain Items." In addition, with respect to the adjusted return on invested capital targets, our invested capital is adjusted for the accumulation of debt incurred for the Brakes Acquisition that would not have been borrowed absent this acquisition.
Management believes that adjusting its operating expenses, operating income, operating margin as a percentage of sales, interest expense, net earnings and diluted earnings per share to remove these Certain Items 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 facilitates comparisons on a year-over-year basis and (2) removes those items that are difficult to predict and are often unanticipated, and which as a result, are difficult to include in analysts' financial models and our investors' expectations with any degree of specificity.

Although Sysco has a history of growth through acquisitions, the Brakes Group is significantly larger than the companies historically acquired by Sysco, with a proportionately greater impact on Sysco's consolidated financial statements. Accordingly, Sysco is also excluding from certain of its non-GAAP financial measures for the relevant periods, solely those acquisition costs specific to the Brakes Acquisition. We believe this approach significantly enhances the comparability of Sysco's adjusted results for fiscal 2017 and 2016. As the Brakes Acquisition took place at the beginning of fiscal 2017, and given the significance of the Brakes Acquisition, management believes that presenting Sysco's adjusted financial measures, excluding the Brakes Group operating results (including, for this purpose, Brakes Group financing costs, which are not included in the Brakes Group operating results and are also not Certain Items), enhances comparability of the period over period financial performance of Sysco's legacy business and allows investors to more effectively measure Sysco's results against the financial goals under Sysco's initial three-year strategic plan that concluded in fiscal 2018.

The company uses these non-GAAP measures when evaluating its financial results, as well as for internal planning and forecasting purposes. These financial measures should not be used as a substitute for GAAP measures in assessing the company's results of operations for periods presented. An analysis of any non-GAAP financial measure should be used in conjunction with results presented in accordance with GAAP. As a result, in the table below, each period presented is adjusted for the impact described above. In the table below, individual components of diluted earnings per share may not add 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**
(In Thousands, Except for Share and Per Share Data)

We have completed the final year of our initial three-year plan that was established in fiscal 2016 and have measured our operating income performance against our targets on an adjusted basis. Our targets were set prior to our acquisition of the Brakes Group; therefore, our performance excludes the results of the Brakes Group. The following reconciles operating income cumulative growth from a GAAP basis to an adjusted basis. We calculate operating leverage as (i) gross profit excluding the impact of Brakes cumulative average growth rate (CAGR) minus (ii) operating expenses adjusted for certain items and excluding the impact of Brakes CAGR. As a result, in the table below, each period presented is adjusted for the impact described above.

| | 52-Week Period Ended Jun. 30, 2018 | 52-Week Period Ended Jun. 27, 2015 | Period Change in Dollars | Period % Change | CAGR |
|---|---|---|---|---|---|
| **Sales** | $ 58,727,324 | $ 48,680,752 | $ 10,046,572 | 20.6% | |
| Impact of Brakes | (5,612,400) | - | (5,612,400) | NM | |
| **Sales excluding the impact of Brakes (Non-GAAP)** | $ 53,114,924 | $ 48,680,752 | $ 4,434,172 | 9.1% | |
| | | | | | |
| **Gross profit** | $ 11,085,391 | $ 8,551,516 | $ 2,533,875 | 29.6% | 9.0% |
| Impact of Brakes | (1,405,748) | - | (1,405,748) | NM | |
| **Gross profit excluding the impact of Brakes (Non-GAAP)** | $ 9,679,643 | $ 8,551,516 | $ 1,128,127 | 13.2% | 4.2% |
| | | | | | |
| **Gross margin** | 18.88% | 17.57% | | 131 bps | |
| Impact of Brakes | 0.65% | 0.00% | | 65 bps | |
| **Gross margin excluding the impact of Brakes (Non-GAAP)** | 18.23% | 17.57% | | 66 bps | |
| | | | | | |
| **Operating expenses (GAAP)** | $ 8,756,417 | $ 7,322,154 | $ 1,434,263 | 19.6% | 6.1% |
| Impact of MEPP charge | (1,700) | - | (1,700) | NM | |
| Impact of restructuring costs (1) | (109,524) | (7,801) | (101,723) | 1304.0% | |
| Impact of acquisition-related costs (2) | (108,136) | (554,667) | 446,531 | -80.5% | |
| **Operating expenses adjusted for certain items (Non-GAAP)** | $ 8,537,057 | $ 6,759,686 | $ 1,777,371 | 26.3% | |
| Impact of Brakes | (1,427,732) | - | (1,427,732) | NM | |
| Impact of Brakes restructuring costs (3) | 23,346 | - | 23,346 | NM | |
| Impact of Brakes acquisition-related costs (2) | 90,004 | - | 90,004 | NM | |
| **Operating expenses adjusted for certain items and excluding the impact of Brakes (Non-GAAP)** | $ 7,222,675 | $ 6,759,686 | $ 462,989 | 6.8% | 2.2% |
| | | | | | |
| **Operating income (GAAP)** | $ 2,328,974 | $ 1,229,362 | $ 1,099,612 | 89.4% | 23.7% |
| Impact of MEPP charge | 1,700 | - | 1,700 | NM | |
| Impact of restructuring costs (1) | 109,524 | 7,801 | 101,723 | 1304.0% | |
| Impact of acquisition-related costs (2) | 108,136 | 554,667 | (446,531) | -80.5% | |
| **Operating income adjusted for certain items (Non-GAAP)** | $ 2,548,334 | $ 1,791,830 | $ 756,504 | 42.2% | |
| Impact of Brakes | 21,985 | - | 21,985 | NM | |
| Impact of Brakes restructuring costs (3) | (23,346) | - | (23,346) | NM | |
| Impact of Brakes acquisition-related costs (2) | (90,004) | - | (90,004) | NM | |
| **Operating income adjusted for certain items and excluding the impact of Brakes (Non-GAAP)** | $ 2,456,969 | $ 1,791,830 | $ 665,139 | 37.1% | 11.1% |

(1) Fiscal 2018 includes business technology transformation initiative costs, restructuring expenses within our Brakes operations, professional fees on three-year financial objectives, severance charges related to restructuring, costs to convert to legacy systems in conjunction with our revised business technology strategy and facility closure charges. Fiscal 2015 includes US Foods merger and integration planning costs.

(2) Fiscal 2018 includes $71 million related to intangible amortization expense from the Brakes acquisition, which is included in the results of Brakes and $18 million in integration costs. Fiscal 2018 includes a $10 million write-off for an intangible asset due to restructuring in France. Fiscal 2015 includes US Foods merger integration and termination costs.

(3) Includes Brakes Acquisition restructuring charges.

(4) Operating leverage is calculated as the difference between gross profit growth and operating expense growth.

**Sysco Corporation and its Consolidated Subsidiaries**
**Non-GAAP Reconciliation (Unaudited)**
**Impact of Certain Items**
(In Thousands, Except for Share and Per Share Data)

| | 52-Week Period Ended Jun. 30, 2018 | 52-Week Period Ended Jul. 1, 2017 | Period Change in Dollars | Period % Change |
|---|---|---|---|---|
| **Operating expenses (GAAP)** | $ 8,756,417 | $ 8,504,336 | $ 252,081 | 3.0% |
| Impact of MEPP charge | (1,700) | (35,600) | 33,900 | -95.2% |
| Impact of restructuring costs (1) | (109,524) | (161,011) | 51,487 | -32.0% |
| Impact of acquisition-related costs (2) | (108,136) | (102,049) | (6,087) | 6.0% |
| **Operating expenses adjusted for certain items (Non-GAAP)** | $ 8,537,057 | $ 8,205,676 | $ 331,381 | 4.0% |
| | | | | |
| **Operating income (GAAP)** | $ 2,328,974 | $ 2,053,171 | $ 275,803 | 13.4% |
| Impact of MEPP charge | 1,700 | 35,600 | (33,900) | -95.2% |
| Impact of restructuring costs (1) | 109,524 | 161,011 | (51,487) | -32.0% |
| Impact of acquisition-related costs (2) | 108,136 | 102,049 | 6,087 | 6.0% |
| **Operating income adjusted for certain items (Non-GAAP)** | $ 2,548,334 | $ 2,351,831 | $ 196,503 | 8.4% |
| | | | | |
| **Interest expense (GAAP)** | $ 395,483 | $ 302,878 | $ 92,605 | 30.6% |
| Impact of loss on extinguishment of debt | (53,104) | - | (53,104) | NM |
| **Interest expense adjusted for certain items (Non-GAAP)** | $ 342,379 | $ 302,878 | $ 39,501 | 13.0% |
| | | | | |
| **Net earnings (GAAP)** | $ 1,430,766 | $ 1,142,503 | $ 288,263 | 25.2% |
| Impact of MEPP charge | 1,700 | 35,600 | (33,900) | -95.2% |
| Impact of restructuring cost (1) | 109,524 | 161,011 | (51,487) | -32.0% |
| Impact of acquisition-related costs (2) | 108,136 | 102,049 | 6,087 | 6.0% |
| Impact of loss on extinguishment of debt | 53,104 | - | 53,104 | NM |
| Tax Impact of MEPP charge (3) | (573) | (11,903) | 11,330 | -95.2% |
| Tax impact of restructuring cost (3) | (34,024) | (51,184) | 17,160 | -33.5% |
| Tax impact of acquisition-related costs (3) | (26,172) | (19,003) | (7,169) | 37.7% |
| Tax impact of loss on extinguishment of debt (3) | (18,225) | - | (18,225) | NM |
| Impact of US transition tax | 80,000 | - | 80,000 | NM |
| Impact of US balance sheet remeasurement from tax law change | (14,477) | - | (14,477) | NM |
| Impact of France, U.K. and Sweden tax law changes | (9,706) | - | (9,706) | NM |
| Impact of repatriation of certain international earnings (4) | 24,208 | - | 24,208 | NM |
| Tax impact of retirement plan contribution | (44,424) | - | (44,424) | NM |
| **Net earnings adjusted for certain items (Non-GAAP)** | $ 1,659,837 | $ 1,359,073 | $ 300,764 | 22.1% |
| | | | | |
| **Diluted earnings per share (GAAP)** | $ 2.70 | $ 2.08 | $ 0.62 | 29.8% |
| Impact of MEPP charge | - | 0.06 | (0.06) | NM |
| Impact of restructuring costs (1) | 0.21 | 0.29 | (0.08) | -27.6% |
| Impact of acquisition-related costs (2) | 0.20 | 0.19 | 0.01 | 5.3% |
| Impact of loss on extinguishment of debt | 0.10 | - | 0.10 | NM |
| Tax impact of MEPP charge (3) | - | (0.02) | 0.02 | NM |
| Tax impact of restructuring cost (3) | (0.06) | (0.09) | 0.03 | -33.3% |
| Tax impact of acquisition-related costs (3) | (0.05) | (0.03) | (0.02) | 66.7% |
| Tax impact of loss on extinguishment of debt (3) | (0.03) | - | (0.03) | NM |
| Impact of US transition tax | 0.15 | - | 0.15 | NM |
| Impact of US balance sheet remeasurement from tax law change | (0.03) | - | (0.03) | NM |
| Impact of France, U.K. and Sweden tax law changes | (0.02) | - | (0.02) | NM |
| Impact of repatriation of certain international earnings (4) | 0.05 | - | 0.05 | NM |
| Tax impact of retirement plan contribution | (0.08) | - | (0.08) | NM |
| **Diluted EPS adjusted for certain items(Non-GAAP) (5)** | $ 3.14 | $ 2.48 | $ 0.66 | 26.6% |
| | | | | |
| Diluted shares outstanding | 529,089,854 | 548,545,027 | | |

(1) Fiscal 2018 includes business technology transformation initiative costs, restructuring expenses within our Brakes operations, professional fees on three-year financial objectives, severance charges related to restructuring, costs to convert to legacy systems in conjunction with our revised business technology strategy and facility closure charges. Fiscal 2017 includes $111 million in accelerated depreciation associated with our revised business technology strategy and $46 million related to restructuring expenses within our Brakes operations, costs to convert to legacy systems in conjunction with our revised business technology strategy, professional fees on 3-year financial objectives and severance charges.

(2) Fiscal 2018 and fiscal 2017 include $67 million and $76 million, respectively, related to intangible amortization expense from the Brakes Acquisition, which is included in the results of Brakes, and $18 million and $24 million in integration costs, respectively. Fiscal 2018 includes a $14 million write-off for an intangible asset due to restructuring in France.

(3) The tax impact of adjustments for Certain Items are 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. The Brakes Acquisition also resulted in non-recurring tax expense in fiscal 2017, primarily from non-deductible transaction costs.

(4) Represents the benefit from tax credits obtained through the repatriation of certain international earnings, partially offset by foreign withholding tax incurred.

(5) Individual components of diluted earnings per share may not add 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**
**Non-GAAP Reconciliation (Unaudited)**
**Impact of Certain Items**
(In Thousands, Except for Share and Per Share Data)

| | 13-Week Period Ended Jun. 30, 2018 | 13-Week Period Ended Jul. 1, 2017 | Period Change in Dollars | Period % Change |
|---|---|---|---|---|
| **Gross profit (GAAP)** | $ 2,916,709 | $ 2,759,590 | $ 157,119 | 5.7% |
| | | | | |
| **Operating expenses (GAAP)** | $ 2,229,042 | $ 2,201,631 | $ 27,411 | 1.2% |
| Impact of MEPP charge | - | (35,600) | 35,600 | NM |
| Impact of restructuring costs (1) | (46,313) | (42,573) | (3,740) | 8.8% |
| Impact of acquisition-related costs (2) | (37,230) | (30,697) | (6,534) | 21.3% |
| **Operating expenses adjusted for certain items (Non-GAAP)** | $ 2,145,499 | $ 2,092,761 | $ 52,738 | 2.5% |
| | | | | |
| **Operating income (GAAP)** | $ 687,667 | $ 557,959 | $ 129,708 | 23.2% |
| Impact of MEPP charge | - | 35,600 | (35,600) | NM |
| Impact of restructuring costs (1) | 46,313 | 42,573 | 3,740 | 8.8% |
| Impact of acquisition-related costs (2) | 37,230 | 30,697 | 6,534 | 21.3% |
| **Operating income adjusted for certain items (Non-GAAP)** | $ 771,210 | $ 666,829 | $ 104,381 | 15.7% |
| | | | | |
| **Net earnings (GAAP)** | $ 448,928 | $ 305,171 | $ 143,757 | 47.1% |
| Impact of MEPP charge | - | 35,600 | (35,600) | NM |
| Impact of restructuring cost (1) | 46,313 | 42,573 | 3,740 | 8.8% |
| Impact of acquisition-related costs (2) | 37,230 | 30,697 | 6,533 | 21.3% |
| Tax Impact of MEPP charge (3) | - | (12,900) | 12,900 | NM |
| Tax impact of restructuring cost (3) | (13,299) | (13,299) | - | 0.0% |
| Tax impact of acquisition-related costs (3) | (8,940) | 461 | (9,401) | NM |
| Impact of US transition tax | (35,000) | - | (35,000) | NM |
| Impact of France, U.K. and Sweden tax law changes | (1,569) | - | (1,569) | NM |
| Impact of repatriation of certain international earnings (4) | 24,208 | - | 24,208 | NM |
| **Net earnings adjusted for certain items (Non-GAAP)** | 497,871 | 388,303 | 109,568 | 28.2% |
| | | | | |
| **Diluted earnings per share (GAAP)** | $ 0.85 | $ 0.57 | $ 0.28 | 50.1% |
| Impact of MEPP charge | - | 0.07 | (0.07) | NM |
| Impact of restructuring costs (1) | 0.09 | 0.08 | 0.01 | 12.5% |
| Impact of acquisition-related costs (2) | 0.07 | 0.06 | 0.01 | 16.7% |
| Tax Impact of MEPP charge (3) | - | (0.02) | 0.02 | NM |
| Tax impact of restructuring cost (3) | (0.03) | (0.02) | (0.01) | 50.0% |
| Tax impact of acquisition-related costs (3) | (0.02) | - | (0.02) | NM |
| Impact of US transition tax | (0.07) | - | (0.07) | NM |
| Impact of repatriation of certain international earnings (4) | 0.05 | - | 0.05 | NM |
| **Diluted EPS adjusted for certain items(Non-GAAP) (5)** | $ 0.94 | $ 0.72 | $ 0.22 | 30.6% |
| | | | | |
| Diluted shares outstanding | 528,053,652 | 538,797,624 | | |

(1) Fiscal 2018 includes business technology transformation initiative costs, restructuring expenses within our Brakes operations, professional fees on three-year financial objectives, severance charges related to restructuring, costs to convert to legacy systems in conjunction with our revised business technology strategy and facility closure charges. Fiscal 2017 includes $28 million in accelerated depreciation associated with our revised business technology strategy and $12 million related to restructuring expenses within our Brakes operations, costs to convert to legacy systems in conjunction with our revised business technology strategy, severance charges related to restructuring, facility closure charges and professional fees on three-year financial objectives.

(2) Fiscal 2018 and fiscal 2017 include $16 million and $20 million, respectively, related to intangible amortization expense from the Brakes Acquisition, which is included in the results of Brakes and $4 million and $9 million, respectively, in integration costs. Fiscal 2018 includes a $14 million write-off for an intangible asset due to restructuring in France.

(3) The tax impact of adjustments for Certain Items are 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. The Brakes Acquisition also resulted in non-recurring tax expense in fiscal 2017, primarily from non-deductible transaction costs.

(4) Represents the benefit from tax credits obtained through the repatriation of certain international earnings, partially offset by foreign withholding tax incurred.

(5) Individual components of diluted earnings per share may not add 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**
(In Thousands, Except for Share and Per Share Data)

| U.S. Foodservice Operations | 52-Week Period Ended Jun. 30, 2018 | 52-Week Period Ended Jul. 1, 2017 | Period Change in Dollars | Period % / bps Change |
|---|---|---|---|---|
| Sales (GAAP) | $ 39,642,263 | $ 37,604,698 | $ 2,037,565 | 5.4% |
| Gross Profit (GAAP) | 7,900,276 | 7,556,392 | 343,884 | 4.6% |
| Gross Margin (GAAP) | 19.93% | 20.09% | | -17 bps |
| **Operating expenses (GAAP)** | $ 4,848,285 | $ 4,664,780 | $ 183,505 | 3.9% |
| Impact of MEPP charge | (1,700) | (35,600) | 33,900 | -95.2% |
| Impact of restructuring costs | - | (470) | 470 | NM |
| **Operating expenses adjusted for certain items (Non-GAAP)** | 4,846,585 | $ 4,628,710 | $ 217,875 | 4.7% |
| **Operating income (GAAP)** | 3,051,991 | 2,891,612 | 160,379 | 5.5% |
| Impact of MEPP charge | 1,700 | 35,600 | (33,900) | -95.2% |
| Impact of restructuring costs | - | 470 | (470) | NM |
| **Operating income adjusted for certain items (Non-GAAP)** | $ 3,053,691 | $ 2,927,682 | $ 126,009 | 4.3% |
| **International Foodservice Operations** | | | | |
| Sales (GAAP) | $ 11,518,565 | $ 10,613,059 | $ 905,506 | 8.5% |
| Gross Profit (GAAP) | 2,436,968 | 2,275,819 | 161,149 | 7.1% |
| Gross Margin (GAAP) | 21.16% | 21.44% | | -29 bps |
| **Operating expenses (GAAP)** | 2,243,728 | $ 2,032,703 | $ 211,025 | 10.4% |
| Impact of restructuring costs (1) | (36,667) | (25,080) | (11,587) | 46.2% |
| Impact of acquisition-related costs (2) | (90,004) | (78,273) | (11,731) | 15.0% |
| **Operating expenses adjusted for certain items (Non-GAAP)** | $ 2,117,057 | $ 1,929,350 | $ 187,707 | 9.7% |
| **Operating income (GAAP)** | $ 193,240 | $ 243,116 | $ (49,876) | -20.5% |
| Impact of restructuring costs (1) | 36,667 | 25,080 | 11,587 | 46.2% |
| Impact of acquisition-related costs (2) | 90,004 | 78,273 | 11,731 | 15.0% |
| **Operating income adjusted for certain items (Non-GAAP)** | $ 319,911 | $ 346,469 | $ (26,558) | -7.7% |
| **SYGMA *** | | | | |
| Sales (GAAP) | $ 6,557,033 | $ 6,178,909 | $ 378,124 | 6.1% |
| Gross Profit (GAAP) | 511,278 | 471,155 | 40,123 | 8.5% |
| Gross Margin (GAAP) | 7.80% | 7.63% | | 17 bps |

* Segment has no applicable Certain items

[(1)] Includes Brakes Acquisition-related restructuring charges, facility closure charges and other severance charges related to restructuring.

[(2)] Fiscal 2018 and fiscal 2017 include $67 million and $76 million, respectively, related to intangible amortization expense from the Brakes Acquisition, which is included in the results of the Brakes Group. Fiscal 2018 includes a $14 million write-off for an intangible asset due to restructuring in France.

[(3)] Fiscal 2018 includes business technology transformation initiative costs, professional fees on three-year financial objectives, severance charges related to restructuring, costs to convert to legacy systems in conjunction with our revised business technology strategy and facility closure charges. Fiscal 2017 includes $111 million in accelerated depreciation associated with our revised business technology strategy and $46 million related to restructuring expenses within our Brakes operations, costs to convert to legacy systems in conjunction with our revised business technology strategy, professional fees on 3-year financial objectives and severance charges.

[(4)] Fiscal 2018 and 2017 include $18 million and $24 million, respectively, related to integration costs from the Brakes Acquisition.

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

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. Net capital expenditures represents the purchase of plant and equipment less 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 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. 30, 2018 | 52-Week Period Ended Jul. 1, 2017 | 52-Week Period Change in Dollars |
|---|---|---|---|
| **Net cash provided by operating activities (GAAP)** | $ 2,158,632 | $ 2,239,354 | $ (80,722) |
| Additions to plant and equipment | (687,815) | (686,378) | (1,437) |
| Proceeds from sales of plant and equipment | 22,255 | 23,715 | (1,460) |
| **Free Cash Flow (Non-GAAP)** | $ 1,493,072 | $ 1,576,691 | $ (83,619) |

**Sysco Corporation and its Consolidated Subsidiaries**
**Non-GAAP Reconciliation (Unaudited)**
**U.S. Broadline Case Growth**

| | 52-Week Period Ended Jun. 30, 2018 |
|---|---|
| **Local case growth (GAAP)** | 3.6% |
| Impact of acquisitions | -0.9% |
| **Local case growth excluding acquisitions (Non-GAAP)** | 2.8% |
| | |
| **Total case growth (GAAP)** | 2.9% |
| Impact of acquisitions | -0.7% |
| **Total case growth excluding acquisitions (Non-GAAP)** | 2.1% |

**Adjusted Return on Invested Capital (ROIC)**

We calculate ROIC as net earnings divided by (i) stockholder's 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 excluding the impact of foreign currency translation adjustments; and (ii) long-term debt, computed as the average of the long-term debt at the beginning of the year and at the end of each fiscal quarter during the year. All components of our ROIC calculation are impacted by Certain Items. As a result, in the non-GAAP reconciliation below for fiscal 2018, adjusted total invested capital is computed as the sum of (i) adjusted stockholder's 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 (ii) adjusted long-term debt, computed as the average of the adjusted long-term debt at the beginning of the year and at the end of each fiscal quarter during the year. With respect to the adjusted return on invested capital targets, our invested capital is adjusted for the accumulation of debt incurred for the Brakes Acquisition that would not have been borrowed absent this acquisition. Sysco 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, and we currently use ROIC as a performance criteria in our managment incentive programs. It is possible that a different definition of ROIC may be used by other companies since it can be defined differently. 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, Adjusted ROIC for each period presented is to a GAAP based calculation of ROIC.

| | | 52-Week Period Ended Jun. 30, 2018 | |
|---|---|---|---|
| **Form of calculation:** | | | |
| **Net earnings (GAAP)** | $ | 1,430,766 | |
| Impact of Certain Items on net earnings | | 229,071 | |
| **Adjusted net earnings (Non-GAAP)** | | 1,659,837 | |
| Impact of Brakes | | 6,465 | |
| **Adjusted net earnings excluding Brakes (Non-GAAP)** | $ | 1,653,372 | |
| **Invested Capital (GAAP)** | $ | 11,042,773 | |
| Adjustments to invested capital | | 275,125 | (1) |
| **Adjusted Invested capital (Non-GAAP)** | | 11,317,898 | |
| Impact of Brakes | | 3,115,912 | |
| **Adjusted invested capital excluding Brakes (Non-GAAP)** | $ | 8,201,986 | |
| **Return on investment capital (GAAP)** | | 13.0% | |
| **Return on investment capital (Non-GAAP)** | | 14.7% | |
| **Return on investment capital excluding Brakes (Non-GAAP)** | | 20.2% | |

(1) Shareholder's equity adjustments include the impact of Certain Items from earnings and removal of foreign currency translation adjustments that arose in the fiscal year.