

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

Our discussion of our results includes certain non-GAAP financial measures, such as EBITDA and adjusted EBITDA, which we believe provide important perspective with respect to underlying business trends. Other than free cash flow and EBITDA, any non-GAAP financial measures will be denoted as adjusted measures to remove the impact of: (1) restructuring and transformational project costs consisting of: (a) restructuring charges, (b) expenses associated with our various transformation initiatives and (c) facility closure and severance charges; (2) acquisition-related costs consisting of: (a) intangible amortization expense and (b) acquisition costs and due diligence costs related to our acquisitions; and (3) 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 related to COVID-related personal protection equipment inventory and 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. 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.

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, 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 and provides meaningful supplemental information to both management and investors that (1) is indicative of the performance of the company's underlying operations and (2) facilitates comparisons on a year-over-year basis.

Sysco has a history of growth through acquisitions and excludes from its non-GAAP financial measures the impact of acquisition-related intangible amortization, acquisition costs and due-diligence costs for those acquisitions. We believe this approach significantly enhances the comparability of Sysco's results for fiscal 2023 and fiscal 2022.

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 add up to the total presented due to rounding. Adjusted diluted earnings per share is calculated using adjusted net earnings divided by diluted shares outstanding.

Sysco Corporation and its Consolidated Subsidiaries
Non-GAAP Reconciliation (Unaudited)
Impact of Certain Items, 3Q23 vs. 3Q22
(Dollars in Thousands, Except for Share and Per Share Data)

	13-Week Period Ended Apr. 1, 2023	13-Week Period Ended Apr. 2, 2022	Change in Dollars	% Change
Sales (GAAP)	\$ 18,875,676	\$ 16,902,139	\$ 1,973,537	11.7%
Impact of currency fluctuations (1)	211,164	-	211,164	1.2%
Comparable sales using a constant currency basis (Non-GAAP)	<u>\$ 19,086,840</u>	<u>\$ 16,902,139</u>	<u>\$ 2,184,701</u>	<u>12.9%</u>
Cost of sales (GAAP)	\$ 15,444,316	\$ 13,888,745	\$ 1,555,571	11.2%
Impact of inventory valuation adjustment (2)	-	(29,550)	29,550	0.2%
Cost of sales adjusted for Certain Items (Non-GAAP)	<u>\$ 15,444,316</u>	<u>\$ 13,859,195</u>	<u>\$ 1,585,121</u>	<u>11.4%</u>
Gross Profit (GAAP)	\$ 3,431,360	\$ 3,013,394	\$ 417,966	13.9%
Impact of inventory valuation adjustment (2)	-	29,550	(29,550)	-1.1%
Comparable gross profit adjusted for Certain Items (Non-GAAP)	<u>3,431,360</u>	<u>3,042,944</u>	<u>388,416</u>	<u>12.8%</u>
Impact of currency fluctuations (1)	41,794	-	41,794	1.3%
Comparable gross profit adjusted for Certain Items using a constant currency basis (Non-GAAP)	<u>\$ 3,473,154</u>	<u>\$ 3,042,944</u>	<u>\$ 430,210</u>	<u>14.1%</u>
Gross margin (GAAP)	18.18%	17.83%		35 bps
Impact of inventory valuation adjustment (2)	0.00%	0.17%		-17 bps
Comparable Gross margin adjusted for Certain Items (Non-GAAP)	<u>18.18%</u>	<u>18.00%</u>		<u>18 bps</u>
Impact of currency fluctuations (1)	0.02%	0.00%		2 bps
Comparable Gross margin adjusted for Certain Items using a constant currency basis (Non-GAAP)	<u>18.20%</u>	<u>18.00%</u>		<u>20 bps</u>
Operating expenses (GAAP)	\$ 2,737,183	\$ 2,517,665	\$ 219,518	8.7%
Impact of restructuring and transformational project costs (3)	(12,255)	(19,171)	6,916	36.1%
Impact of acquisition-related costs (4)	(29,004)	(36,699)	7,695	21.0%
Impact of bad debt reserve adjustments (5)	(90)	5,717	(5,807)	NM
Operating expenses adjusted for Certain Items (Non-GAAP)	<u>2,695,834</u>	<u>2,467,512</u>	<u>228,322</u>	<u>9.3%</u>
Impact of currency fluctuations (1)	41,607	-	41,607	1.6%
Comparable operating expenses adjusted for Certain Items using a constant currency basis (Non-GAAP)	<u>\$ 2,737,441</u>	<u>\$ 2,467,512</u>	<u>\$ 269,929</u>	<u>10.9%</u>
Operating expense as a percentage of sales (GAAP)	14.50%	14.90%		-40 bps
Impact of certain items adjustments	-0.22%	-0.30%		8 bps
Adjusted operating expense as a percentage of sales (Non-GAAP)	<u>14.28%</u>	<u>14.60%</u>		<u>-32 bps</u>
Operating income (GAAP)	\$ 694,177	\$ 495,729	\$ 198,448	40.0%
Impact of inventory valuation adjustment (2)	-	29,550	(29,550)	NM
Impact of restructuring and transformational project costs (3)	12,255	19,171	(6,916)	-36.1%
Impact of acquisition-related costs (4)	29,004	36,699	(7,695)	-21.0%
Impact of bad debt reserve adjustments (5)	90	(5,717)	5,807	NM
Operating income adjusted for Certain Items (Non-GAAP)	<u>735,526</u>	<u>575,432</u>	<u>160,094</u>	<u>27.8%</u>
Impact of currency fluctuations (1)	187	-	187	0.1%
Comparable operating income adjusted for Certain Items using a constant currency basis (Non-GAAP)	<u>\$ 735,713</u>	<u>\$ 575,432</u>	<u>\$ 160,281</u>	<u>27.9%</u>
Operating margin (GAAP)	3.68%	2.93%		75 bps
Operating margin adjusted for Certain Items (Non-GAAP)	<u>3.90%</u>	<u>3.40%</u>		<u>50 bps</u>
Operating margin adjusted for Certain Items on a constant currency basis (Non-GAAP)	<u>3.85%</u>	<u>3.40%</u>		<u>45 bps</u>
Other Expense (Income) (GAAP)	\$ 5,209	\$ (13,777)	\$ 18,986	NM
Impact of other non-routine gains and losses	(448)	-	(448)	NM
Other Expense (Income) adjusted for Certain Items (Non-GAAP)	<u>\$ 4,761</u>	<u>\$ (13,777)</u>	<u>\$ 18,538</u>	<u>NM</u>
Net earnings (GAAP)	\$ 429,604	\$ 303,325	\$ 126,279	41.6%
Impact of inventory valuation adjustment (2)	-	29,550	(29,550)	NM
Impact of restructuring and transformational project costs (3)	12,255	19,171	(6,916)	-36.1%
Impact of acquisition-related costs (4)	29,004	36,699	(7,695)	-21.0%
Impact of bad debt reserve adjustments (5)	90	(5,717)	5,807	NM
Impact of other non-routine gains and losses	448	0	448	NM
Tax impact of inventory valuation adjustment (6)	-	(7,449)	7,449	NM
Tax impact of restructuring and transformational project costs (3)	(3,190)	(5,579)	2,389	42.8%
Tax impact of acquisition-related costs (6)	(7,550)	(8,537)	987	11.6%
Tax impact of bad debt reserve adjustments (6)	(23)	1,445	(1,468)	NM
Tax impact of other non-routine gains and losses (6)	(117)	0	(117)	NM
Net earnings adjusted for Certain Items (Non-GAAP)	<u>\$ 460,521</u>	<u>\$ 362,908</u>	<u>\$ 97,613</u>	<u>26.9%</u>
Diluted earnings per share (GAAP)	\$ 0.84	\$ 0.59	\$ 0.25	42.4%
Impact of inventory valuation adjustment (2)	-	0.06	(0.06)	NM
Impact of restructuring and transformational project costs (3)	0.02	0.04	(0.02)	-50.0%
Impact of acquisition-related costs (4)	0.06	0.07	(0.01)	-14.3%
Impact of bad debt reserve adjustments (5)	-	(0.01)	0.01	NM
Tax impact of inventory valuation adjustment (6)	-	(0.01)	0.01	NM
Tax impact of restructuring and transformational project costs (6)	(0.01)	(0.01)	-	0.0%
Tax impact of acquisition-related costs (6)	(0.01)	(0.02)	0.01	50.0%
Diluted earnings per share adjusted for Certain Items (Non-GAAP) (7)	<u>\$ 0.90</u>	<u>\$ 0.71</u>	<u>\$ 0.19</u>	<u>26.8%</u>
Diluted shares outstanding	509,842,400	512,238,523		

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

(2) Fiscal 2022 represents a write-down of COVID-related personal protection equipment inventory due to the reduction in the net realizable value of inventory.

(3) Fiscal 2023 includes \$2 million related to restructuring, severance, and facility closure charges and \$10 million related to various transformation initiative costs, primarily consisting of changes to our business technology strategy. Fiscal 2022 includes \$7 million related to restructuring, severance, and facility closure charges and \$12 million related to various transformation initiative costs, primarily consisting of changes to our business technology strategy.

(4) Fiscal 2023 includes \$27 million of intangible amortization expense and \$2 million in acquisition and due diligence costs. Fiscal 2022 includes \$27 million of intangible amortization expense and \$10 million in acquisition and due diligence costs.

(5) Fiscal 2023 and fiscal 2022 include a reduction of bad debt charges previously taken on pre-pandemic trade receivable balances in fiscal 2020.

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

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

As noted in a previous reconciliation within this presentation, our discussion of our results includes certain non-GAAP financial measures, defined as Certain Items. The multi-year trend below represents our operating income adjusted for Certain Items. For these periods, our definition of Certain Items included (1) restructuring and transformational project costs consisting of: (a) restructuring charges, (b) expenses associated with our various transformation initiatives and (c) facility closure and severance charges; (2) acquisition-related costs consisting of: (a) intangible amortization expense and (b) acquisition costs and due diligence costs related to our acquisitions; (3) impact of MEPP charges; (4) 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 and (5) impact of goodwill impairment.

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 the 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 tables that follow, each period presented is adjusted to remove the Certain Items noted above.

	13-Week Period Ended Mar. 28, 2015	13-Week Period Ended Mar. 26, 2016	13-Week Period Ended Apr. 1, 2017	13-Week Period Ended Mar. 31, 2018	13-Week Period Ended Mar. 30, 2019	13-Week Period Ended Mar. 28, 2020	13-Week Period Ended Mar. 27, 2021
Operating Income (GAAP)	\$ 327,308	\$ 377,618	\$ 435,962	\$ 485,933	\$ 529,585	\$ 60,274	\$ 235,917
Impact of restructuring and transformational project costs	365	59,443	40,064 ⁽¹⁾	22,781 ⁽²⁾	72,207 ⁽⁴⁾	77,195 ⁽⁶⁾	34,953 ⁽⁸⁾
Impact of acquisition-related costs	49,609	586	24,273	25,361 ⁽³⁾	18,398 ⁽⁵⁾	17,321 ⁽⁵⁾	18,834 ⁽⁵⁾
Impact of MEPP charge	-	-	-	1,700	-	-	-
Impact of bad debt reserve adjustments	-	-	-	-	-	153,499 ⁽⁷⁾	(33,473) ⁽⁹⁾
Impact of goodwill impairment	-	-	-	-	-	68,725	-
Operating income adjusted for certain items (Non-GAAP)	\$ 377,282	\$ 437,647	\$ 500,299	\$ 535,775	\$ 620,190	\$ 377,014	\$ 256,231

⁽¹⁾ 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 and professional fees on three-year financial objectives.

⁽²⁾ Fiscal 2018 includes business technology transformation initiative costs, professional fees on three-year financial objectives, 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, and facility closure charges.

⁽³⁾ Fiscal 2018 includes \$20 million related to intangible amortization expense from the Brakes Acquisition, which is included in the results of Brakes, and \$4 million in integration costs.

⁽⁴⁾ Fiscal 2019 includes \$35 million related to various transformation initiative costs, primarily consisting of changes to our business technology strategy and \$37 million related to restructuring, facility closure and severance charges.

⁽⁵⁾ Represents intangible amortization expense from the Brakes Acquisition, which is included in the results of International Foodservice.

⁽⁶⁾ Fiscal 2020 includes \$48 million restructuring, facility closure and severance charges and \$30 million related to related to various transformation initiative costs, primarily consisting of changes to our business technology strategy.

⁽⁷⁾ Fiscal 2020 represents excess bad debt charges recognized on the increase in past due receivables arising from the COVID-19 pandemic.

⁽⁸⁾ Fiscal 2021 includes \$21 million primarily related to restructuring charges and \$14 million related to various transformation initiative costs, primarily consisting of changes to our business technology strategy.

⁽⁹⁾ Fiscal 2021 represents the reduction of bad debt charges previously taken on pre-pandemic trade receivable balances in fiscal 2020.

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.

Sysco Corporation and its Consolidated Subsidiaries**Non-GAAP Reconciliation (Unaudited)****Impact of Certain Items on Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)**

(In Thousands)

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 (3Q23 vs. 3Q22)

(In Thousands)

	13-Week Period Ended Apr. 1, 2023	13-Week Period Ended Apr. 2, 2022	Change in Dollars	%/bps Change
Net earnings (GAAP)	\$ 429,604	\$ 303,325	\$ 126,279	41.6%
Interest (GAAP)	134,931	124,018	10,913	8.8%
Income taxes (GAAP)	124,433	82,163	42,270	51.4%
Depreciation and amortization (GAAP)	195,996	193,843	2,153	1.1%
EBITDA (Non-GAAP)	884,964	703,349	\$ 181,615	25.8%
Certain Item adjustments:				
Impact of inventory valuation adjustment (1)	-	29,550	(29,550)	NM
Impact of restructuring and transformational project costs (2)	11,890	18,746	(6,856)	-36.6%
Impact of acquisition-related costs (3)	2,349	9,861	(7,512)	-76.2%
Impact of bad debt reserve adjustments (4)	90	(5,717)	5,807	NM
Impact of other non-routine gains and losses	448	-	448	NM
EBITDA adjusted for Certain Items (Non-GAAP) (5)	\$ 899,741	\$ 755,789	\$ 143,952	19.0%

⁽¹⁾ 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 2023 and fiscal 2022 include charges related to restructuring, severance, and facility closures, as well as various transformation initiative costs, primarily consisting of changes to our business technology strategy, excluding charges related to accelerated depreciation.

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

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

⁽⁵⁾ In arriving at adjusted EBITDA, Sysco does not adjust out interest income of \$7 million and \$2 million or non-cash stock compensation expense of \$21 million and \$30 million in fiscal 2023 and fiscal 2022, respectively.

NM represents that the percentage change is not meaningful.

Projected Adjusted EBITDA Guidance

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

Net Debt to Adjusted EBITDA Leverage Ratio Targets

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

Form of calculation:

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

Impact of bad debt reserve adjustments

EBITDA adjusted for Certain Items (Non-GAAP)

Net Debt to Adjusted EBITDA Ratio

Sysco Corporation and its Consolidated Subsidiaries
Segment Results
Non-GAAP Reconciliation (Unaudited)
Impact of Certain Items on Applicable Segments, 3Q23 vs. 3Q22
(Dollars in Thousands)

	13-Week Period Ended Apr. 1, 2023	13-Week Period Ended Apr. 2, 2022	Change in Dollars	%/bps Change
U.S. FOODSERVICE OPERATIONS				
Sales (GAAP)	\$ 13,257,519	\$ 12,006,163	\$ 1,251,356	10.4%
Gross Profit (GAAP)	\$ 2,545,859	\$ 2,270,045	\$ 275,814	12.2%
Gross Margin (GAAP)	19.20%	18.91%		29 bps
Operating expenses (GAAP)	\$ 1,690,093	\$ 1,523,578	\$ 166,515	10.9%
Impact of restructuring and transformational project costs	(159)	2,543	(2,702)	NM
Impact of acquisition-related costs (1)	(11,463)	(10,505)	(958)	-9.1%
Impact of bad debt reserve adjustments (2)	(81)	5,060	(5,141)	NM
Operating expenses adjusted for Certain Items (Non-GAAP)	\$ 1,678,390	\$ 1,520,676	\$ 157,714	10.4%
Operating income (GAAP)	\$ 855,766	\$ 746,467	\$ 109,299	14.6%
Impact of restructuring and transformational project costs	159	(2,543)	2,702	NM
Impact of acquisition-related costs (1)	11,463	10,505	958	9.1%
Impact of bad debt reserve adjustments (2)	81	(5,060)	5,141	NM
Operating income adjusted for Certain Items (Non-GAAP)	\$ 867,469	\$ 749,369	\$ 118,100	15.8%
INTERNATIONAL FOODSERVICE OPERATIONS				
Sales (GAAP)	\$ 3,344,121	\$ 2,834,089	\$ 510,032	18.0%
Impact of currency fluctuations (3)	206,661	-	206,661	7.3%
Comparable sales using a constant currency basis (Non-GAAP)	\$ 3,550,782	\$ 2,834,089	\$ 716,693	25.3%
Gross Profit (GAAP)	\$ 642,778	\$ 570,241	\$ 72,537	12.7%
Impact of currency fluctuations (3)	40,245	-	40,245	7.1%
Comparable gross profit using a constant currency basis (Non-GAAP)	\$ 683,023	\$ 570,241	\$ 112,782	19.8%
Gross Margin (GAAP)	19.22%	20.12%		-90 bps
Impact of currency fluctuations (3)	0.02%	0.00%		2 bps
Comparable gross margin using a constant currency basis (Non-GAAP)	19.24%	20.12%		-88 bps
Operating expenses (GAAP)	\$ 594,426	\$ 562,481	\$ 31,945	5.7%
Impact of restructuring and transformational project costs (4)	(2,103)	(9,379)	7,276	77.6%
Impact of acquisition-related costs (5)	(16,585)	(18,142)	1,557	8.6%
Impact of bad debt reserve adjustments (2)	(10)	657	(667)	NM
Operating expenses adjusted for Certain Items (Non-GAAP)	\$ 575,728	\$ 535,617	\$ 40,111	7.5%
Impact of currency fluctuations (3)	37,070	-	37,070	6.9%
Comparable operating expenses adjusted for Certain Items using a constant currency basis (Non-GAAP)	\$ 612,798	\$ 535,617	\$ 77,181	14.4%
Operating income (GAAP)	\$ 48,352	\$ 7,760	\$ 40,592	NM
Impact of restructuring and transformational project costs (4)	2,103	9,379	(7,276)	-77.6%
Impact of acquisition-related costs (5)	16,585	18,142	(1,557)	-8.6%
Impact of bad debt reserve adjustments (2)	10	(657)	667	NM
Operating income adjusted for Certain Items (Non-GAAP)	\$ 67,050	\$ 34,624	\$ 32,426	93.7%
Impact of currency fluctuations (3)	3,175	-	3,175	NM
Comparable operating income adjusted for Certain Items using a constant currency basis (Non-GAAP)	\$ 70,225	\$ 34,624	\$ 35,601	NM
SYGMA				
Sales (GAAP)	\$ 1,972,058	\$ 1,794,837	\$ 177,221	9.9%
Gross Profit (GAAP)	166,104	147,245	18,859	12.8%
Gross Margin (GAAP)	8.42%	8.20%		22 bps
Operating expenses	\$ 140,665	\$ 142,883	\$ (2,218)	-1.6%
Operating income	25,439	4,362	21,077	NM
OTHER				
Sales	\$ 301,978	\$ 267,050	\$ 34,928	13.1%
Gross Profit	\$ 79,451	\$ 55,397	\$ 24,054	43.4%
Gross Margin	26.31%	20.74%		557 bps
Operating expenses	\$ 67,615	\$ 59,369	\$ 8,246	13.9%
Operating income (loss)	\$ 11,836	\$ (3,972)	\$ 15,808	NM
GLOBAL SUPPORT CENTER				
Gross loss (GAAP)	\$ (2,832)	\$ (29,534)	\$ 26,702	90.4%
Impact of inventory valuation adjustment (6)	-	29,550	(29,550)	NM
Comparable gross (loss) profit adjusted for certain items (Non-GAAP)	\$ (2,832)	\$ 16	\$ (2,848)	NM
Operating expenses (GAAP)	\$ 244,384	\$ 229,354	\$ 15,030	6.6%
Impact of restructuring and transformational project costs (7)	(9,992)	(12,335)	2,343	19.0%
Impact of acquisition related costs (8)	(956)	(8,052)	7,096	88.1%
Operating expenses adjusted for Certain Items (Non-GAAP)	\$ 233,436	\$ 208,967	\$ 24,469	11.7%
Operating loss (GAAP)	\$ (247,216)	\$ (258,888)	\$ 11,672	4.5%
Impact of inventory valuation adjustment (6)	-	29,550	(29,550)	NM
Impact of restructuring and transformational project costs (7)	9,992	12,335	(2,343)	-19.0%
Impact of acquisition related costs (8)	956	8,052	(7,096)	-88.1%
Operating loss adjusted for Certain Items (Non-GAAP)	\$ (236,268)	\$ (208,951)	\$ (27,317)	-13.1%
TOTAL SYSCO				
Sales	\$ 18,875,676	\$ 16,902,139	\$ 1,973,537	11.7%
Gross Profit	\$ 3,431,360	\$ 3,013,394	\$ 417,966	13.9%
Gross Margin	18.18%	17.83%		35 bps
Operating expenses (GAAP)	\$ 2,737,183	\$ 2,517,665	\$ 219,518	8.7%
Impact of restructuring and transformational project costs (4) (7)	(12,254)	(19,171)	6,917	36.1%
Impact of acquisition-related costs (1) (5) (8)	(29,004)	(36,699)	7,695	-21.0%
Impact of bad debt reserve adjustments (2)	(91)	5,717	(5,808)	NM
Operating expenses adjusted for Certain Items (Non-GAAP)	\$ 2,695,834	\$ 2,467,512	\$ 228,322	9.3%
Operating income (GAAP)	\$ 694,177	\$ 495,729	\$ 198,448	40.0%
Impact of inventory valuation adjustment (6)	-	29,550	(29,550)	NM
Impact of restructuring and transformational project costs (4) (7)	12,254	19,171	(6,917)	-36.1%
Impact of acquisition-related costs (1) (5) (8)	29,004	36,699	(7,695)	-21.0%
Impact of bad debt reserve adjustments (2)	91	(5,717)	5,808	NM
Operating income adjusted for Certain Items (Non-GAAP)	\$ 735,526	\$ 575,432	\$ 160,094	27.8%

(1) Fiscal 2023 and fiscal 2022 include intangible amortization expense and acquisition costs.

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

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

(4) Includes restructuring and facility closure costs primarily in Europe.

(5) Represents intangible amortization expense.

(6) Fiscal 2022 represents a write-down of COVID-related personal protection equipment inventory due to the reduction in the net realizable value of inventory.

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

(8) Represents due diligence costs.

NM represents that the percentage change is not meaningful.

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

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.

	April 1, 2023
Current Maturities of long-term debt	\$ 723,473
Long-term debt	10,258,345
Total Debt	10,981,818
Cash & Cash Equivalents	(757,867)
Net Debt	\$ 10,223,951
Adjusted EBITDA for the previous 12 months	\$ 3,695,981
Debt/Adjusted EBITDA Ratio	3.0
Net Debt/Adjusted EBITDA Ratio	2.8

Sysco Corporation and its Consolidated Subsidiaries
Non-GAAP Reconciliation (Unaudited)
Free Cash Flow, YTD23 vs. YTD22
(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. 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.

	39-Week Period Ended Apr. 1, 2023	39-Week Period Ended Apr. 2, 2022	Change in Dollars
Net cash provided by operating activities (GAAP)	\$ 1,425,782	\$ 745,871	\$ 679,911
Additions to plant and equipment	(474,456)	(327,535)	(146,921)
Proceeds from sales of plant and equipment	28,313	15,946	12,367
Free Cash Flow (Non-GAAP)	\$ 979,639	\$ 434,282	\$ 545,357