

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

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

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

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

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

Svco Corporation and its Consolidated Subsidiaries
Non-GAAP Reconciliation (Unaudited)
Impact of Certain Items, 4Q22 vs. 4Q21
(Dollars in Thousands, Except for Share and Per Share Data)

	13-Week Period Ended Jul. 2, 2022	14-Week Period Ended Jul. 3, 2021	Change in Dollars	% Change
Sales (GAAP) (A)	\$ 18,957,258	\$ 16,136,893	\$ 2,820,365	17.5%
Impact of currency fluctuations (1)	255,672	-	255,672	1.6%
Comparable sales using a constant currency basis (Non-GAAP)	19,212,930	16,136,893	3,076,037	19.1%
Less 1 week fourth quarter sales	19,212,930	(1,152,635)	1,152,635	9.1%
Comparable sales using a constant currency and a 13 week basis (Non-GAAP)	19,212,930	14,984,258	4,228,672	28.2%
Comparable sales using a 13 week basis (Non-GAAP) (C)(D)	\$ 18,957,258	\$ 14,984,258	\$ 3,973,000	26.5%
Cost of sales (GAAP)	\$ 15,512,986	\$ 13,221,115	\$ 2,291,871	17.3%
Impact of inventory valuation adjustment (2)	(43,673)	-	(43,673)	-0.3%
Cost of sales adjusted for Certain Items (Non-GAAP)	15,469,313	13,221,115	2,248,198	17.0%
Less 1 week fourth quarter cost of sales	-	(944,365)	944,365	9.0%
Comparable cost of sales adjusted for Certain Items using a 13 week basis(Non-GAAP)	\$ 15,469,313	\$ 12,276,750	\$ 3,192,563	26.0%
Gross Profit (GAAP)	\$ 3,444,272	\$ 2,915,778	\$ 528,494	18.1%
Impact of inventory valuation adjustment (2)	43,673	0.0%	43,673	1.5%
Comparable gross profit adjusted for Certain Items (Non-GAAP) (A)	3,487,945	2,915,778	572,167	19.6%
Impact of currency fluctuations (1)	58,256	-	58,256	2.0%
Comparable gross profit adjusted for Certain Items using a constant currency basis (Non-GAAP)	3,546,201	2,915,778	630,423	21.6%
Less 1 week fourth quarter gross profit (B)	-	(208,270)	208,270	9.4%
Comparable gross profit adjusted for Certain Items using a constant currency and 13 week basis (Non-GAAP)	3,546,201	4,707,508	838,693	31.0%
Comparable gross profit adjusted for Certain Items using a 13 week basis (Non-GAAP) (C)	\$ 3,487,945	\$ 2,707,508	\$ 780,437	28.8%
Gross margin (GAAP)	18.17%	18.07%	-	10 bps
Impact of inventory valuation adjustment (2)	0.23%	0.0%	43,673	23 bps
Comparable Gross margin adjusted for Certain Items (Non-GAAP) (A)	18.40%	18.07%	-	33 bps
Impact of currency fluctuations (1)	0.06%	0.0%	-	6 bps
Comparable Gross margin adjusted for Certain Items using a constant currency basis (Non-GAAP)	18.46%	18.07%	-	39 bps
Less 1 week fourth quarter gross margin (B)	0.00%	0.00%	-	0 bps
Comparable Gross margin adjusted for Certain Items using a constant currency and 13 week basis (Non-GAAP)	18.46%	18.07%	-	39 bps
Comparable Gross margin adjusted for Certain Items using a 13 week basis (Non-GAAP) (C)	18.40%	18.07%	-	33 bps
Operating expenses (GAAP)	\$ 2,677,557	\$ 2,346,094	\$ 331,463	14.1%
Impact of restructuring and transformational project costs (3)	(39,474)	(33,110)	(6,364)	-19.2%
Impact of acquisition-related costs (4)	(35,724)	(208,826)	(173,102)	-43.9%
Impact of bad debt reserve adjustments (5)	8,783	22,441	(13,658)	-60.9%
Operating expenses adjusted for Certain Items (Non-GAAP) (A)	2,611,142	2,310,599	300,543	13.0%
Impact of currency fluctuations (1)	55,085	-	55,085	4.4%
Comparable operating expenses adjusted for Certain Items using a constant currency basis (Non-GAAP)	2,666,227	2,310,599	355,628	15.4%
Less 1 week fourth quarter operating expense (B)	-	(165,043)	165,043	8.9%
Comparable operating expenses adjusted for Certain Items using a constant currency and a 13 week basis (Non-GAAP)	2,666,227	2,145,556	520,671	24.3%
Comparable operating expenses adjusted for Certain Items using a 13 week basis (Non-GAAP) (C)	\$ 2,611,142	\$ 2,145,556	\$ 465,586	21.7%
Operating expense as a percentage of sales (GAAP)	14.12%	14.54%	-	-41 bps
Impact of certain items adjustments	-0.35%	-0.22%	-	-14 bps
Adjusted operating expense as a percentage of sales (Non-GAAP)	13.77%	14.32%	-	-55 bps
Operating income (GAAP)	\$ 766,715	\$ 569,684	\$ 197,031	34.6%
Impact of inventory valuation adjustment (2)	43,673	-	43,673	NM
Impact of restructuring and transformational project costs (3)	39,474	33,110	6,364	19.2%
Impact of acquisition-related costs (4)	35,724	24,826	10,898	43.9%
Impact of bad debt reserve adjustments (5)	(8,783)	(22,441)	13,658	60.9%
Operating income adjusted for Certain Items (Non-GAAP) (A)	876,803	605,179	271,624	44.9%
Impact of currency fluctuations (1)	3,171	-	3,171	0.5%
Comparable operating income adjusted for Certain Items using a constant currency basis (Non-GAAP)	879,974	605,179	274,795	45.4%
Less 1 week fourth quarter operating income (B)	-	(43,227)	43,227	11.2%
Comparable operating income adjusted for Certain Items using a constant currency and a 13 week basis basis (Non-GAAP)	879,974	561,952	318,022	56.6%
Comparable operating income adjusted for Certain Items using a 13 week basis basis (Non-GAAP) (C)(E)	\$ 876,803	\$ 561,952	\$ 314,851	56.0%
Operating margin (GAAP)	4.04%	3.53%	-	51 bps
Operating margin adjusted for Certain Items (Non-GAAP)	4.63%	3.75%	-	88 bps
Operating margin adjusted for Certain Items on a constant currency basis (Non-GAAP)	4.58%	3.75%	-	83 bps
Operating margin adjusted for Certain Items on a constant currency and a 13 week basis (Non-GAAP)	4.58%	3.75%	-	83 bps
Operating margin adjusted for Certain Items on a constant currency and a 13 week basis (Non-GAAP) (F)	4.63%	3.75%	-	88 bps
Interest expense (GAAP)	\$ 128,512	\$ 441,149	\$ (312,637)	-70.9%
Impact of loss on extinguishment of debt	-	(293,897)	293,897	NM
Interest expense adjusted for Certain Items (Non-GAAP)	128,512	147,252	(18,740)	-12.7%
Less 1 week fourth quarter interest expense	-	(10,518)	10,518	6.7%
Interest expense adjusted for Certain Items using a 13 week basis (Non-GAAP)	\$ 128,512	\$ 136,734	\$ (8,222)	-6.0%
Other income (GAAP)	\$ (3,676)	\$ (13,483)	\$ 9,807	72.7%
Impact of other non-routine gains and losses	2,057	12,374	(10,317)	-83.4%
Other income adjusted for Certain Items (Non-GAAP)	(1,619)	(1,109)	(510)	-46.0%
Less 1 week fourth quarter other income	-	79	(79)	-11.2%
Other income adjusted for Certain Items using a 13 week basis (Non-GAAP)	\$ (1,619)	\$ (1,030)	\$ (589)	-37.2%
Net earnings (GAAP)	\$ 509,989	\$ 151,093	\$ 358,896	237.5%
Impact of inventory valuation adjustment (2)	43,673	-	43,673	NM
Impact of restructuring and transformational project costs (3)	39,474	33,110	6,364	19.2%
Impact of acquisition-related costs (4)	35,724	24,826	10,898	43.9%
Impact of bad debt reserve adjustments (5)	(8,783)	(22,441)	13,658	60.9%
Impact of loss on extinguishment of debt	-	293,897	(293,897)	NM
Impact of other non-routine gains and losses	(2,057)	(12,374)	10,317	83.4%
Tax impact of inventory valuation adjustment (6)	(11,452)	-	(11,452)	NM
Tax impact of restructuring and transformational project costs (6)	(10,613)	(5,530)	(5,083)	-91.9%
Tax impact of acquisition-related costs (6)	(9,847)	(4,204)	(5,643)	-134.2%
Tax impact of bad debt reserve adjustments (6)	2,383	347	2,036	NM
Tax impact of loss on extinguishment of debt (6)	(699)	(79,323)	78,624	99.1%
Tax impact of other non-routine gains and losses (6)	531	4,557	(4,026)	-88.3%
Impact of foreign tax rate change (6)	-	(17,649)	17,649	NM
Net earnings adjusted for Certain Items (Non-GAAP)	\$ 588,323	\$ 366,309	\$ 222,014	60.6%
Less 1 week fourth quarter net earnings	-	(26,165)	26,165	12.4%
Net earnings adjusted for Certain Items using a 13 week basis (Non-GAAP)	\$ 588,323	\$ 340,144	\$ 248,179	73.0%
Diluted earnings per share (GAAP)	\$ 0.99	\$ 0.29	\$ 0.70	241.4%
Impact of inventory valuation adjustment (2)	0.09	0.00	0.09	NM
Impact of restructuring and transformational project costs (3)	0.08	0.06	0.02	33.3%
Impact of acquisition-related costs (4)	0.07	0.05	0.02	40.0%
Impact of bad debt reserve adjustments (5)	(0.02)	(0.04)	0.02	50.0%
Impact of loss on extinguishment of debt	-	0.57	(0.57)	NM
Impact of other non-routine gains and losses	-	(0.02)	0.02	NM
Tax impact of inventory valuation adjustment (6)	(0.02)	-	(0.02)	NM
Tax impact of restructuring and transformational project costs (6)	(0.02)	(0.01)	(0.01)	-100.0%
Tax impact of acquisition-related costs (6)	(0.02)	(0.01)	(0.01)	-100.0%
Tax impact of loss on extinguishment of debt (6)	-	0.15	0.15	NM
Tax impact of other non-routine gains and losses (6)	-	0.01	(0.01)	NM
Impact of foreign tax rate change (6)	-	(0.03)	0.03	NM
Diluted earnings per share adjusted for Certain Items (Non-GAAP) (7)	\$ 1.15	\$ 0.71	\$ 0.44	62.0%
Less 1 week fourth quarter earnings per share	-	(0.05)	0.05	12.2%
Diluted earnings per share adjusted for Certain Items using a 13 week basis (Non-GAAP)	\$ 1.15	\$ 0.66	\$ 0.49	74.2%
Diluted shares outstanding	513,426,966	516,036,842	-	-

For purposes of comparable items using a 13 week basis, items are mathematically calculated using the row labels as follows: A+B=C and E/D=F

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

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

(3) Fiscal 2022 includes \$31 million related to restructuring, severance, and facility closure charges and \$8 million related to various transformation initiative costs, primarily consisting of changes to our business technology strategy. Fiscal 2021 includes \$17 million related to various transformation initiative costs, primarily consisting of changes to our business technology strategy and \$16 million related to restructuring charges.

(4) Fiscal 2022 includes \$31 million of intangible amortization expense and \$5 million in acquisition and due diligence costs. Fiscal 2021 represents intangible amortization expense.

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

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

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

NM represents that the percentage change is not meaningful.

Sysco Corporation and its Consolidated Subsidiaries
Non-GAAP Reconciliation (Unaudited)
Impact of Certain Items, FY22 vs. FY21
(Dollars in Thousands, Except for Share and Per Share Data)

	52-Week Period Ended Jul. 2, 2022	53-Week Period Ended Jul. 3, 2021	Change in Dollars	% Change
Sales (GAAP) (A)	\$ 68,636,146	\$ 51,297,843	\$ 17,338,303	33.8%
Impact of currency fluctuations (1)	178,629	-	178,629	0.3%
Comparable sales using a constant currency basis (Non-GAAP)	68,814,775	51,297,843	17,516,932	34.1%
Less 1 week fourth quarter sales (B)	-	(1,152,635)	1,152,635	3.1%
Comparable sales using a constant currency and a 52 week basis (Non-GAAP)	68,814,775	50,145,208	18,669,567	37.2%
Comparable sales using a 52 week basis (Non-GAAP) (C)(D)	\$ 68,636,146	\$ 50,145,208	\$ 18,490,938	36.9%
Cost of sales	\$ 56,315,622	\$ 41,941,094	\$ 14,374,528	34.3%
Impact of inventory valuation adjustment (2)	(73,224)	-	(73,224)	-0.2%
Cost of sales adjusted for Certain Items (Non-GAAP)	56,242,398	41,941,094	14,301,304	34.1%
Less 1 week fourth quarter cost of sales	-	-	-	-
Cost of sales adjusted for Certain Items using a 52 week basis (Non-GAAP)	\$ 56,242,398	\$ 40,996,729	\$ 15,245,669	37.2%
Gross Profit (GAAP)	\$ 12,320,524	\$ 9,356,749	\$ 2,963,775	31.7%
Impact of inventory valuation adjustment (2)	73,224	-	73,224	0.8%
Comparable gross profit adjusted for Certain Items (Non-GAAP) (A)	12,393,748	9,356,749	3,036,999	32.5%
Impact of currency fluctuations (1)	50,131	-	50,131	0.5%
Comparable gross profit adjusted for Certain Items using a constant currency basis (Non-GAAP)	12,443,879	9,356,749	3,087,130	33.0%
Less 1 week fourth quarter gross profit (B)	-	(208,270)	208,270	3.0%
Comparable gross profit adjusted for Certain Items using a constant currency and a 52 week basis (Non-GAAP)	12,443,879	9,148,479	3,295,400	36.0%
Comparable gross profit adjusted for Certain Items using a 52 week basis (Non-GAAP) (C)	\$ 12,393,748	\$ 9,148,479	\$ 3,245,269	35.5%
Gross margin (GAAP)	17.95%	18.24%	-	-29 bps
Impact of inventory valuation adjustment (2)	0.11%	0.00%	-	11 bps
Comparable Gross margin adjusted for Certain Items (Non-GAAP) (A)	18.06%	18.24%	-	-18 bps
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)	18.08%	18.24%	-	-16 bps
Less 1 week fourth quarter operating gross margin (B)	-	0.00%	-	0 bps
Comparable Gross margin adjusted for Certain Items using a constant currency and a 52 week basis (Non-GAAP)	18.08%	18.24%	-	-16 bps
Comparable Gross margin adjusted for Certain Items using a 52 week basis (Non-GAAP) (C)	18.06%	18.24%	-	-18 bps
Operating expenses (GAAP)	\$ 9,981,489	\$ 7,919,507	\$ 2,061,982	26.0%
Impact of restructuring and transformational project costs (3)	(109,532)	(128,187)	18,655	14.6%
Impact of acquisition-related costs (4)	(139,173)	(79,540)	(59,633)	-75.0%
Impact of bad debt reserve adjustments (5)	27,999	184,813	(156,814)	-84.9%
Operating expenses adjusted for Certain Items (Non-GAAP) (A)	9,760,783	7,896,593	1,864,190	23.6%
Impact of currency fluctuations (1)	50,908	-	50,908	0.7%
Comparable operating expenses adjusted for Certain Items using a constant currency basis (Non-GAAP)	9,811,691	7,896,593	1,915,098	24.3%
Less 1 week fourth quarter operating expense (B)	-	(165,043)	165,043	2.6%
Comparable operating expenses adjusted for Certain Items using a constant currency and a 52 week basis (Non-GAAP)	9,811,691	7,731,550	2,080,141	26.9%
Comparable operating expenses adjusted for Certain Items using a 52 week basis (Non-GAAP) (C)	\$ 9,760,783	\$ 7,731,550	\$ 2,029,233	26.2%
Operating expense as a percentage of sales (GAAP)	14.54%	15.44%	-	-90 bps
Impact of certain items adjustments	-0.32%	-0.05%	-	-27 bps
Adjusted operating expense as a percentage of sales (Non-GAAP)	14.22%	15.39%	-	-117 bps
Operating income (GAAP)	\$ 2,339,035	\$ 1,437,242	\$ 901,793	62.7%
Impact of inventory valuation adjustment (2)	73,224	-	73,224	NM
Impact of restructuring and transformational project costs (3)	109,532	128,187	(18,655)	-14.6%
Impact of acquisition-related costs (4)	139,173	79,540	59,633	75.0%
Impact of bad debt reserve adjustments (5)	(27,999)	(184,813)	156,814	84.9%
Operating income adjusted for Certain Items (Non-GAAP) (A)	2,632,965	1,460,156	1,172,809	80.3%
Impact of currency fluctuations (1)	(776)	-	(776)	0.0%
Comparable operating income adjusted for Certain Items using a constant currency basis (Non-GAAP)	2,632,189	1,460,156	1,172,033	80.3%
Less 1 week fourth quarter operating income (B)	-	(43,227)	43,227	5.5%
Comparable operating income adjusted for Certain Items using a constant currency and a 52 week basis (Non-GAAP)	2,632,189	1,416,929	1,215,260	85.8%
Comparable operating income adjusted for Certain Items using a 52 week basis (Non-GAAP) (C)(E)	\$ 2,632,965	\$ 1,416,929	\$ 1,216,036	85.8%
Operating margin (GAAP)	3.41%	2.80%	-	61 bps
Operating margin adjusted for Certain Items (Non-GAAP)	3.84%	2.85%	-	99 bps
Operating margin adjusted for Certain Items using a constant currency basis (Non-GAAP)	3.83%	2.85%	-	98 bps
Operating margin adjusted for Certain Items using a constant currency and a 52 week basis (Non-GAAP)	3.83%	2.83%	-	100 bps
Operating margin adjusted for Certain Items on a constant currency and a 52 week basis (Non-GAAP) (F)	3.84%	2.83%	-	101 bps
Interest expense (GAAP)	\$ 623,643	\$ 880,137	\$ (256,494)	-29.1%
Impact of loss on extinguishment of debt	(115,603)	(293,897)	178,294	60.7%
Interest expense adjusted for Certain Items (Non-GAAP)	508,040	586,240	(78,200)	-13.3%
Less 1 week fourth quarter interest expense	-	(10,518)	10,518	1.5%
Interest expense adjusted for Certain Items using a 52 week basis (Non-GAAP)	\$ 508,040	\$ 575,722	\$ (67,682)	-11.8%
Other income (GAAP)	\$ (31,381)	\$ (27,623)	\$ (3,758)	-13.6%
Impact of other non-routine gains and losses	2,057	(10,460)	12,517	119.7%
Other income adjusted for Certain Items (Non-GAAP)	(29,324)	(38,083)	8,759	23.0%
Less 1 week fourth quarter other income	-	79	(79)	-0.2%
Other income adjusted for Certain Items using a 52 week basis (Non-GAAP)	\$ (29,324)	\$ (38,004)	\$ 8,680	22.8%
Net earnings (GAAP)	\$ 1,358,768	\$ 524,209	\$ 834,559	159.2%
Impact of inventory valuation adjustment (2)	73,224	-	73,224	NM
Impact of restructuring and transformational project costs (3)	109,532	128,187	(18,655)	-14.6%
Impact of acquisition-related costs (4)	139,173	79,540	59,633	75.0%
Impact of bad debt reserve adjustments (5)	(27,999)	(184,813)	156,814	84.9%
Impact of loss on extinguishment of debt	115,603	293,897	(178,294)	-60.7%
Impact of other non-routine gains and losses	(2,057)	10,460	(12,517)	-119.7%
Tax impact of inventory valuation adjustment (6)	(18,902)	-	(18,902)	NM
Tax impact of restructuring and transformational project costs (6)	(28,274)	(32,416)	4,142	12.8%
Tax impact of acquisition-related costs (6)	(35,926)	(19,675)	(16,251)	-82.6%
Tax impact of bad debt reserve adjustments (6)	7,228	46,260	(39,032)	-84.4%
Tax impact of loss on extinguishment of debt (6)	(29,841)	(79,323)	49,482	62.4%
Tax impact of other non-routine gains and losses (6)	531	(2,692)	3,223	119.7%
Impact of adjustments to uncertain tax positions	12,000	-	12,000	NM
Impact of foreign tax rate change	-	(23,197)	23,197	NM
Net earnings adjusted for Certain Items (Non-GAAP)	1,673,060	740,437	932,623	126.0%
Less 1 week fourth quarter net earnings	-	(26,165)	26,165	8.2%
Net earnings adjusted for Certain Items using a 52 week basis (Non-GAAP)	\$ 1,673,060	\$ 714,272	\$ 958,788	134.2%
Diluted earnings per share (GAAP)	\$ 2.64	\$ 1.02	\$ 1.62	158.8%
Impact of inventory valuation adjustment (2)	0.14	0.14	-	NM
Impact of restructuring and transformational project costs (3)	0.21	0.25	(0.04)	-16.0%
Impact of acquisition-related costs (4)	0.27	0.15	0.12	80.0%
Impact of bad debt reserve adjustments (5)	(0.05)	(0.36)	0.31	86.1%
Impact of loss on extinguishment of debt	0.22	0.57	(0.35)	-61.4%
Impact of other non-routine gains and losses	-	0.02	(0.02)	NM
Tax impact of inventory valuation adjustment (6)	(0.04)	-	(0.04)	NM
Tax impact of restructuring and transformational project costs (6)	(0.06)	(0.06)	-	0.0%
Tax impact of acquisition-related costs (6)	(0.07)	(0.04)	(0.03)	-75.0%
Tax impact of bad debt reserve adjustments (6)	0.01	0.09	(0.08)	-88.9%
Tax impact of loss on extinguishment of debt (6)	(0.06)	(0.15)	0.09	60.0%
Tax impact of other non-routine gains and losses (6)	-	(0.01)	0.01	NM
Impact of adjustments to uncertain tax positions	0.02	-	0.02	NM
Impact of foreign tax rate change	-	(0.05)	0.05	NM
Diluted earnings per share adjusted for Certain Items (Non-GAAP) (7)	3.25	1.44	1.81	125.7%
Less 1 week fourth quarter earnings per share	-	(0.05)	0.05	8.1%
Diluted earnings per share adjusted for Certain Items using a 52 week basis (Non-GAAP)	\$ 3.25	\$ 1.39	\$ 1.86	133.8%
Diluted shares outstanding	514,005,827	513,555,088	-	-

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

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

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

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

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

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

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

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

NM represents that the percentage change is not meaningful.

Sysco Corporation and its Consolidated Subsidiaries
Non-GAAP Reconciliation (Unaudited)
Impact of Certain Items, 4Q22 vs. 4Q19
(Dollars in Thousands, Except for Share and Per Share Data)

	13-Week Period Ended Jul. 2, 2022	13-Week Period Ended Jun. 29, 2019	Change in Dollars	% Change
Sales (GAAP)	\$ 18,957,258	\$ 15,474,862	\$ 3,482,396	22.5%
Cost of sales	\$ 15,512,986	\$ 12,495,670	\$ 3,017,316	24.1%
Impact of inventory valuation adjustment (1)	(43,673)	-	(43,673)	-0.3%
Cost of sales adjusted for Certain Items (Non-GAAP)	<u>\$ 15,469,313</u>	<u>\$ 12,495,670</u>	<u>\$ 2,973,643</u>	<u>23.8%</u>
Gross Profit (GAAP)	\$ 3,444,272	\$ 2,979,192	\$ 465,080	15.6%
Impact of inventory valuation adjustment (1)	43,673	-	43,673	1.5%
Comparable gross profit adjusted for Certain Items (Non-GAAP)	<u>\$ 3,487,945</u>	<u>\$ 2,979,192</u>	<u>\$ 508,753</u>	<u>17.1%</u>
Gross margin (GAAP)	18.17%	19.25%		-108 bps
Impact of inventory valuation adjustment (1)	0.23%	0.00%		23 bps
Gross margin adjusted for Certain Items (Non-GAAP)	<u>18.40%</u>	<u>19.25%</u>		<u>-85 bps</u>
Operating expenses (GAAP)	\$ 2,677,557	\$ 2,258,662	\$ 418,895	18.5%
Impact of restructuring and transformational project costs (2)	(39,474)	(77,753)	38,279	49.2%
Impact of acquisition-related costs (3)	(35,724)	(19,789)	(15,935)	-80.5%
Impact of bad debt reserve adjustments (4)	8,783	-	8,783	NM
Operating expenses adjusted for Certain Items (Non-GAAP)	<u>\$ 2,611,142</u>	<u>\$ 2,161,120</u>	<u>\$ 450,022</u>	<u>20.8%</u>
Operating expense as a percentage of sales (GAAP)	14.12%	14.60%		-48 bps
Impact of certain items adjustments	-0.35%	-0.63%		28 bps
Adjusted operating expense as a percentage of sales (Non-GAAP)	<u>13.77%</u>	<u>13.97%</u>		<u>-20 bps</u>
Operating income (GAAP)	\$ 766,715	\$ 720,530	\$ 46,185	6.4%
Impact of inventory valuation adjustment (1)	43,673	-	43,673	NM
Impact of restructuring and transformational project costs (2)	39,474	77,753	(38,279)	-49.2%
Impact of acquisition-related costs (3)	35,724	19,789	15,935	80.5%
Impact of bad debt reserve adjustments (4)	(8,783)	-	(8,783)	NM
Operating income adjusted for Certain Items (Non-GAAP)	<u>\$ 876,803</u>	<u>\$ 818,072</u>	<u>\$ 58,731</u>	<u>7.2%</u>
Other (income) expense (GAAP)	\$ (3,676)	\$ (51,558)	\$ 47,882	92.9%
Impact of gain on sale of Iowa Premium (5)	-	66,309	(66,309)	NM
Impact of other non-routine gains and losses	2,057	-	2,057	NM
Other (income) expense (Non-GAAP)	<u>\$ (1,619)</u>	<u>\$ 14,751</u>	<u>\$ (16,370)</u>	<u>-111.0%</u>
Net earnings (GAAP)	\$ 509,989	\$ 535,766	\$ (25,777)	-4.8%
Impact of inventory valuation adjustment (1)	43,673	-	43,673	NM
Impact of restructuring and transformational project costs (2)	39,474	77,753	(38,279)	-49.2%
Impact of acquisition-related costs (3)	35,724	19,789	15,935	80.5%
Impact of bad debt reserve adjustments (4)	(8,783)	-	(8,783)	NM
Impact of gain on sale of Iowa Premium (5)	-	(66,309)	66,309	NM
Impact of other non-routine gains and losses	(2,057)	-	(2,057)	NM
Tax impact of inventory valuation adjustment (6)	(11,452)	-	(11,452)	NM
Tax impact of restructuring and transformational project costs (6)	(10,613)	(16,891)	6,278	37.2%
Tax impact of acquisition-related costs (6)	(9,847)	(4,352)	(5,495)	-126.3%
Tax impact of bad debt reserve adjustments (6)	2,383	-	2,383	NM
Tax impact of loss on extinguishment of debt (6)	(699)	-	(699)	NM
Tax impact of gain on sale of Iowa Premium (6)	-	18,119	(18,119)	NM
Tax impact of other non-routine gains and losses (6)	531	-	531	NM
Impact of France, U.K. and Sweden tax law changes	-	6,464	(6,464)	NM
Impact of US transition tax	-	2,631	(2,631)	NM
Net earnings adjusted for Certain Items (Non-GAAP)	<u>\$ 588,323</u>	<u>\$ 572,970</u>	<u>\$ 15,353</u>	<u>2.7%</u>
Diluted earnings per share (GAAP)	\$ 0.99	\$ 1.03	\$ (0.04)	-3.9%
Impact of inventory valuation adjustment (1)	0.09	-	0.09	NM
Impact of restructuring and transformational project costs (2)	0.08	0.15	(0.07)	-46.7%
Impact of acquisition-related costs (3)	0.07	0.04	0.03	75.0%
Impact of bad debt reserve adjustments (4)	(0.02)	-	(0.02)	NM
Impact of gain on sale of Iowa Premium (5)	-	(0.13)	0.13	NM
Tax impact of inventory valuation adjustment (6)	(0.02)	-	(0.02)	NM
Tax impact of restructuring and transformational project costs (6)	(0.02)	(0.03)	0.01	33.3%
Tax impact of acquisition-related costs (6)	(0.02)	(0.01)	(0.01)	-100.0%
Tax impact of gain on sale of Iowa Premium (6)	-	0.03	(0.03)	NM
Impact of France, U.K. and Sweden tax law changes	-	0.01	(0.01)	NM
Impact of US transition tax	-	0.01	(0.01)	NM
Diluted earnings per share adjusted for Certain Items (Non-GAAP) (7)	<u>\$ 1.15</u>	<u>\$ 1.10</u>	<u>\$ 0.05</u>	<u>4.5%</u>
Diluted shares outstanding	513,426,966	520,060,241		

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

(2) Fiscal 2022 includes \$31 million related to restructuring, severance, and facility closure charges and \$8 million related to various transformation initiative costs, primarily consisting of changes to our business technology strategy. Fiscal 2019 includes \$41 million related to restructuring, facility closure and severance charges and \$37 million related to various transformation initiative costs, primarily consisting of changes to our business technology strategy.

(3) Fiscal 2022 includes \$31 million of intangible amortization expense and \$5 million in acquisition and due diligence costs. Fiscal 2019 includes intangible amortization expense.

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

(5) Represents a gain on sale from disposition of a business, Iowa Premium.

(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
Segment Results
Non-GAAP Reconciliation (Unaudited)
Impact of Certain Items on Applicable Segments, 4Q22 vs. 4Q21
(Dollars in Thousands)

	13-Week Period Ended Jul. 2, 2022	14-Week Period Ended Jul. 3, 2021	Change in Dollars	%/bps Change
U.S. FOODSERVICE OPERATIONS				
Sales (GAAP)	\$ 13,413,281	\$ 11,518,926	\$ 1,894,355	16.4%
Gross Profit (GAAP)	2,601,656	2,214,821	386,835	17.5%
Gross Margin (GAAP)	19.40%	19.23%		17 bps
Operating expenses (GAAP)	\$ 1,649,692	\$ 1,377,419	\$ 272,273	19.8%
Impact of restructuring and transformational project costs	9,778 ⁽¹⁾	(46)	7,732	NM
Impact of acquisition-related costs (1)	(10,825)	-	(10,825)	NM
Impact of bad debt reserve adjustments (2)	4,035	19,811	(15,776)	-79.6%
Operating expenses adjusted for Certain Items (Non-GAAP)	\$ 1,642,124	\$ 1,397,184	\$ 244,940	17.5%
Operating income (GAAP)	\$ 951,964	\$ 837,402	\$ 114,562	13.7%
Impact of restructuring and transformational project costs	778	46	732	NM
Impact of acquisition-related costs (1)	10,825	-	10,825	NM
Impact of bad debt reserve adjustments (2)	(4,035)	(19,811)	15,776	79.6%
Operating income adjusted for Certain Items (Non-GAAP)	\$ 959,532	\$ 817,637	\$ 141,895	17.4%
INTERNATIONAL FOODSERVICE OPERATIONS				
Sales (GAAP)	\$ 3,251,841	\$ 2,496,030	\$ 755,811	30.3%
Impact of currency fluctuations (3)	252,341	-	252,341	10.1%
Comparable sales using a constant currency basis (Non-GAAP)	\$ 3,504,182	\$ 2,496,030	\$ 1,008,152	40.4%
Gross Profit (GAAP)	\$ 651,787	\$ 496,010	\$ 155,777	31.4%
Impact of currency fluctuations (3)	57,137	-	57,137	11.5%
Comparable gross profit using a constant currency basis (Non-GAAP)	\$ 708,924	\$ 496,010	\$ 212,914	42.9%
Gross Margin (GAAP)	20.04%	19.87%		17 bps
Impact of currency fluctuations (3)	0.19%	0.00%		19 bps
Comparable gross margin using a constant currency basis (Non-GAAP)	20.23%	19.87%		36 bps
Operating expenses (GAAP)	\$ 604,662	\$ 526,440	\$ 78,222	14.9%
Impact of restructuring and transformational project costs (4)	(29,314)	(14,115)	(15,199)	-107.7%
Impact of acquisition-related costs (5)	(22,790)	(18,959)	(3,831)	-20.2%
Impact of bad debt reserve adjustments (2)	4,748	2,631	2,117	80.5%
Operating expenses adjusted for Certain Items (Non-GAAP)	557,306	495,997	61,309	12.4%
Impact of currency fluctuations (3)	51,358	-	51,358	10.3%
Comparable operating expenses adjusted for Certain Items using a constant currency basis (Non-GAAP)	\$ 608,664	\$ 495,997	\$ 112,667	22.7%
Operating income (loss) (GAAP)	\$ 47,125	\$ (30,430)	\$ 77,555	254.9%
Impact of restructuring and transformational project costs (4)	29,314	14,115	15,199	107.7%
Impact of acquisition-related costs (5)	22,790	18,959	3,831	20.2%
Impact of bad debt reserve adjustments (2)	(4,748)	(2,631)	(2,117)	-80.5%
Operating income (loss) adjusted for Certain Items (Non-GAAP)	94,481	13	94,468	NM
Impact of currency fluctuations (3)	6,779	-	6,779	NM
Comparable operating income (loss) adjusted for Certain Items using a constant currency basis (Non-GAAP)	\$ 100,260	\$ 13	\$ 100,247	NM
SYGMA				
Sales (GAAP)	\$ 1,975,631	\$ 1,873,357	\$ 102,274	5.5%
Gross Profit (GAAP)	153,926	159,696	(5,770)	-3.6%
Gross Margin (GAAP)	7.79%	8.52%		-73 bps
Operating expenses (GAAP)	\$ 152,758	\$ 142,999	\$ 9,759	6.8%
Operating income (GAAP)	1,168	16,697	(15,529)	-93.0%
OTHER				
Sales (GAAP)	\$ 316,505	\$ 248,580	\$ 67,925	27.3%
Gross Profit (GAAP)	78,898	46,286	32,612	70.5%
Gross Margin (GAAP)	24.93%	18.62%		631 bps
Operating expenses (GAAP)	\$ 64,158	\$ 51,543	\$ 12,615	24.5%
Impact of restructuring and transformational project costs	-	(956)	956	NM
Impact of bad debt reserve adjustments (2)	-	(1)	1	NM
Operating expenses adjusted for certain items (Non-GAAP)	\$ 64,158	\$ 50,586	\$ 13,572	26.8%
Operating income (loss) (GAAP)	\$ 14,740	\$ (5,257)	\$ 19,997	NM
Impact of restructuring and transformational project costs	-	956	(956)	NM
Impact of bad debt reserve adjustments (2)	-	1	(1)	NM
Operating income (loss) adjusted for Certain Items (Non-GAAP)	\$ 14,740	\$ (4,300)	\$ 19,040	NM
GLOBAL SUPPORT CENTER				
Gross loss (GAAP)	\$ (41,995)	\$ (1,035)	\$ (40,960)	NM
Impact of inventory valuation adjustment (6)	43,673	-	43,673	NM
Comparable gross profit (loss) adjusted for certain items (Non-GAAP)	\$ 1,678	\$ (1,035)	\$ 2,713	262.1%
Operating expenses (GAAP)	\$ 206,287	\$ 247,693	\$ (41,406)	-16.7%
Impact of restructuring and transformational project costs (7)	(9,382)	(17,993)	8,611	47.9%
Impact of acquisition related costs (8)	(2,109)	(5,867)	3,758	64.1%
Operating expenses adjusted for Certain Items (Non-GAAP)	\$ 194,796	\$ 223,833	\$ (29,037)	-13.0%
Operating loss (GAAP)	\$ (248,282)	\$ (248,728)	\$ 446	0.2%
Impact of inventory valuation adjustment (6)	43,673	-	43,673	NM
Impact of restructuring and transformational project costs (7)	9,382	17,993	(8,611)	-47.9%
Impact of acquisition related costs (8)	2,109	5,867	(3,758)	-64.1%
Operating loss adjusted for Certain Items (Non-GAAP)	\$ (193,118)	\$ (224,868)	\$ 31,750	14.1%
TOTAL SYSCO				
Sales (GAAP)	\$ 18,957,258	\$ 16,136,893	\$ 2,820,365	17.5%
Gross Profit (GAAP)	3,444,272	2,915,778	528,494	18.1%
Gross margin (GAAP)	18.17%	18.07%		10 bps
Operating expenses (GAAP)	\$ 2,677,557	\$ 2,346,094	\$ 331,463	14.1%
Impact of restructuring and transformational project costs (4) (7)	(39,474)	(33,110)	(6,364)	-19.2%
Impact of acquisition-related costs (1) (5) (8)	(35,724)	(24,826)	(10,898)	-43.9%
Impact of bad debt reserve adjustments (2)	6,783	(22,441)	(13,658)	-60.9%
Operating expenses adjusted for Certain Items (Non-GAAP)	\$ 2,611,142	\$ 2,310,599	\$ 300,543	13.0%
Operating income (GAAP)	\$ 766,715	\$ 569,684	\$ 197,031	34.6%
Impact of inventory valuation adjustment (6)	43,673	-	43,673	NM
Impact of restructuring and transformational project costs (4) (7)	39,474	33,110	6,364	19.2%
Impact of acquisition-related costs (1) (5) (8)	35,724	24,826	10,898	43.9%
Impact of bad debt reserve adjustments (2)	(6,783)	(22,441)	13,658	60.9%
Operating income adjusted for Certain Items (Non-GAAP)	\$ 876,803	\$ 605,179	\$ 271,624	44.9%

⁽¹⁾ Fiscal 2022 includes intangible amortization expense and acquisition costs.

⁽²⁾ Fiscal 2022 and fiscal 2021 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⁾ 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)
Free Cash Flow, YTD22 vs. YTD21 and YTD22 vs. YTD19
(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 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 Jul. 2, 2022	53-Week Period Ended Jul. 3, 2021	Change in Dollars	52-Week Period Ended Jul. 2, 2022	52-Week Period Ended Jun. 29, 2019	Change in Dollars
Net cash provided by operating activities (GAAP)	\$ 1,791,286	\$ 1,903,842	\$ (112,556)	\$ 1,791,286	\$ 2,411,207	\$ (619,921)
Additions to plant and equipment	(632,802)	(470,676)	(162,126)	(632,802)	(692,391)	59,589
Proceeds from sales of plant and equipment	24,144	59,147	(35,003)	24,144	20,941	3,203
Free Cash Flow (Non-GAAP)	<u>\$ 1,182,628</u>	<u>\$ 1,492,313</u>	<u>\$ (309,685)</u>	<u>\$ 1,182,628</u>	<u>\$ 1,739,757</u>	<u>\$ (557,129)</u>

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

Sysco Corporation and its Consolidated Subsidiaries

Non-GAAP Reconciliation (Unaudited)

Impact of Certain Items on Earnings Before Interest, Taxes, Depreciation and Amortization (4Q22 vs. 4Q21)

(In Thousands)

	13-Week Period Ended Jul. 2, 2022	14-Week Period Ended Jul. 3, 2021	Change in Dollars	%/bps Change
Net earnings (GAAP)	\$ 509,989	\$ 151,093	\$ 358,896	237.5%
Interest (GAAP)	128,512	441,149	(312,637)	-70.9%
Income taxes (GAAP)	131,890	(9,075)	140,965	NM
Depreciation and amortization (GAAP)	201,274	195,445	5,829	3.0%
EBITDA (Non-GAAP)	<u>971,665</u>	<u>778,612</u>	<u>\$ 193,053</u>	<u>24.8%</u>
Less 1 week fourth quarter EBITDA	-	(55,615)	55,615	9.6%
EBITDA using a 13 week basis (Non-GAAP)	<u>\$ 971,665</u>	<u>\$ 722,997</u>	<u>\$ 248,668</u>	<u>34.4%</u>
Certain Item adjustments:				
Impact of inventory valuation adjustment (1)	43,673	-	43,673	NM
Impact of restructuring and transformational project costs (2)	39,055	31,440	7,615	24.2%
Impact of acquisition-related costs (3)	4,479	5,867	(1,388)	-23.7%
Impact of bad debt reserve adjustments (4)	(8,783)	(22,441)	13,658	60.9%
Impact of other non-routine gains and losses	(2,057)	(12,374)	10,317	83.4%
EBITDA adjusted for Certain Items (Non-GAAP) (5)	<u>1,048,032</u>	<u>781,104</u>	<u>266,928</u>	<u>34.2%</u>
Less 1 week fourth quarter adjusted EBITDA	-	(55,793)	55,793	10.3%
EBITDA adjusted for Certain Items using a 13 week basis (Non-GAAP) (5)	<u>\$ 1,048,032</u>	<u>\$ 725,311</u>	<u>\$ 322,721</u>	<u>44.5%</u>

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

(2) Fiscal 2022 and fiscal 2021 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 2022 includes acquisition and due diligence costs.

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

(5) In arriving at adjusted EBITDA, Sysco does not adjust out interest income of \$2 million and \$2 million for fiscal 2022 and fiscal 2021, respectively, or non-cash stock compensation expense of \$32 million and \$30 million in fiscal 2022 and fiscal 2021, respectively.

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, 4Q22 vs. 4Q19
(Dollars in Thousands)

	13-Week Period Ended Jul. 2, 2022	13-Week Period Ended Jun. 29, 2019	Change in Dollars	%/bps Change
U.S. FOODSERVICE OPERATIONS				
Sales (GAAP)	\$ 13,413,281	\$ 10,696,389	\$ 2,716,892	25.4%
Gross Profit (GAAP)	2,601,656	2,147,852	453,804	21.1%
Gross Margin (GAAP)	19.40%	20.08%		-68 bps
Operating expenses (GAAP)	\$ 1,649,692	\$ 1,321,306	\$ 328,386	24.9%
Impact of restructuring and transformational project costs	(778)	2,927	(3,705)	-126.6%
Impact of acquisition-related costs (1)	(10,825)	-	(10,825)	NM
Impact of bad debt reserve adjustments (2)	4,035	-	4,035	NM
Operating expenses adjusted for Certain Items (Non-GAAP)	\$ 1,642,124	\$ 1,324,233	\$ 317,891	24.0%
Operating income (GAAP)	\$ 951,964	\$ 826,546	\$ 125,418	15.2%
Impact of restructuring and transformational project costs	778	(2,927)	3,705	126.6%
Impact of acquisition-related costs (1)	10,825	-	10,825	NM
Impact of bad debt reserve adjustments (2)	(4,035)	-	(4,035)	NM
Operating income adjusted for Certain Items (Non-GAAP)	\$ 959,532	\$ 823,619	\$ 135,913	16.5%
INTERNATIONAL FOODSERVICE OPERATIONS				
Sales (GAAP)	\$ 3,251,841	\$ 2,923,601	\$ 328,240	11.2%
Impact of currency fluctuations (3)	25,341	-	25,341	8.2%
Comparable sales using a constant currency basis (Non-GAAP)	\$ 3,504,182	\$ 2,923,601	\$ 580,581	19.9%
Gross Profit (GAAP)	\$ 651,787	\$ 621,636	\$ 30,151	4.9%
Impact of currency fluctuations (3)	57,137	-	57,137	9.1%
Comparable gross profit using a constant currency basis (Non-GAAP)	\$ 708,924	\$ 621,636	\$ 87,288	14.0%
Gross Margin (GAAP)	20.04%	21.26%		-122 bps
Impact of currency fluctuations (3)	0.19%	0.00%		19 bps
Comparable gross margin using a constant currency basis (Non-GAAP)	20.23%	21.26%		-103 bps
Operating expenses (GAAP)	\$ 604,662	\$ 558,193	\$ 46,469	8.3%
Impact of restructuring and transformational project costs (3)	(29,314)	(35,533)	6,219	17.5%
Impact of acquisition-related costs (4)	(22,790)	(19,305)	(3,485)	-18.1%
Impact of bad debt reserve adjustments (2)	4,748	-	4,748	NM
Operating expenses adjusted for Certain Items (Non-GAAP)	\$ 557,304	\$ 503,355	\$ 53,951	10.7%
Impact of currency fluctuations (3)	51,358	-	51,358	10.2%
Comparable operating expenses adjusted for Certain Items using a constant currency basis (Non-GAAP)	\$ 608,664	\$ 503,355	\$ 105,309	20.9%
Operating income (GAAP)	\$ 47,125	\$ 63,443	\$ (16,318)	-25.7%
Impact of restructuring and transformational project costs (3)	29,314	35,533	(6,219)	-17.5%
Impact of acquisition-related costs (4)	22,790	19,305	3,485	18.1%
Impact of bad debt reserve adjustments (2)	(4,748)	-	(4,748)	NM
Operating income adjusted for Certain Items (Non-GAAP)	\$ 94,481	\$ 118,281	\$ (23,800)	-20.1%
Impact of currency fluctuations (3)	5,279	-	5,279	4.9%
Comparable operating income adjusted for Certain Items using a constant currency basis (Non-GAAP)	\$ 100,260	\$ 118,281	\$ (18,021)	-15.2%
SYGMA				
Sales (GAAP)	\$ 1,975,631	\$ 1,548,952	\$ 426,679	27.5%
Gross Profit (GAAP)	153,926	128,860	25,066	19.5%
Gross Margin (GAAP)	7.79%	8.32%		-53 bps
Operating expenses (GAAP)	\$ 152,758	\$ 118,293	\$ 34,465	29.1%
Impact of restructuring and transformational project costs	-	(2,241)	2,241	NM
Operating expenses adjusted for Certain Items (Non-GAAP)	\$ 152,758	\$ 116,052	\$ 36,706	31.6%
Operating income (GAAP)	\$ 1,168	\$ 10,567	\$ (9,399)	-88.9%
Impact of restructuring and transformational project costs	-	2,241	(2,241)	NM
Operating income adjusted for Certain Items (Non-GAAP)	\$ 1,168	\$ 12,808	\$ (11,640)	-90.9%
OTHER				
Sales (GAAP)	\$ 316,505	\$ 305,920	\$ 10,585	3.5%
Gross Profit (GAAP)	78,898	73,783	5,115	6.9%
Gross Margin (GAAP)	24.93%	24.12%		81 bps
Operating expenses (GAAP)	\$ 64,158	\$ 60,364	\$ 3,794	6.3%
Operating income (GAAP)	\$ 14,740	\$ 13,419	\$ 1,321	9.8%
GLOBAL SUPPORT CENTER				
Gross Profit (Loss)	\$ (41,995)	\$ 7,061	\$ (49,056)	NM
Impact of inventory valuation adjustment (5)	43,673	-	43,673	NM
Comparable gross profit (loss) adjusted for Certain Items (Non-GAAP)	\$ 1,678	\$ 7,061	\$ (5,383)	-76.2%
Operating expenses (GAAP)	\$ 206,287	\$ 200,506	\$ 5,781	2.9%
Impact of restructuring and transformational project costs (6)	(9,382)	(42,906)	33,524	78.1%
Impact of acquisition related costs (7)	(2,109)	(484)	(1,625)	NM
Operating expenses adjusted for Certain Items (Non-GAAP)	\$ 194,796	\$ 157,116	\$ 37,680	24.0%
Operating loss (GAAP)	\$ (248,282)	\$ (193,445)	\$ (54,837)	-28.3%
Impact of inventory valuation adjustment (5)	43,673	-	43,673	NM
Impact of restructuring and transformational project costs (6)	9,382	42,906	(33,524)	-78.1%
Impact of acquisition related costs (7)	2,109	484	(1,625)	NM
Operating loss adjusted for Certain Items (Non-GAAP)	\$ (193,118)	\$ (150,055)	\$ (43,063)	-28.7%
TOTAL SYSCO				
Sales (GAAP)	\$ 18,957,258	\$ 15,474,862	\$ 3,482,396	22.5%
Gross Profit (GAAP)	3,444,272	2,979,192	465,080	15.6%
Gross Margin (GAAP)	18.17%	19.25%		-108 bps
Operating expenses (GAAP)	\$ 2,677,557	\$ 2,258,662	\$ 418,895	18.5%
Impact of restructuring and transformational project costs (3) (6)	(39,474)	(77,753)	38,279	49.2%
Impact of acquisition-related costs (1) (4) (7)	(35,724)	(19,789)	(15,935)	-80.5%
Impact of bad debt reserve adjustments (2)	8,783	-	8,783	NM
Operating expenses adjusted for Certain Items (Non-GAAP)	\$ 2,611,142	\$ 2,161,120	\$ 450,022	20.8%
Operating income (GAAP)	\$ 766,715	\$ 720,530	\$ 46,185	6.4%
Impact of inventory valuation adjustment (5)	43,673	-	43,673	NM
Impact of restructuring and transformational project costs (3) (6)	39,474	77,753	(38,279)	-49.2%
Impact of acquisition-related costs (1) (4) (7)	35,724	19,789	15,935	80.5%
Impact of bad debt reserve adjustments (2)	(8,783)	-	(8,783)	NM
Operating income adjusted for Certain Items (Non-GAAP)	\$ 876,802	\$ 818,072	\$ 58,731	7.2%

(1) Fiscal 2022 includes intangible amortization expense and acquisition costs.

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

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

(4) Represents intangible amortization expense.

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

(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.

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

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

Projected Adjusted EPS Guidance

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

Sysco Corporation and its Consolidated Subsidiaries
Non-GAAP Reconciliation (Unaudited)
Case Growth

	July 2, 2022 (13 vs. 14 Weeks)	Impact of 14th week (1)	July 2, 2022 (13 vs. 13 weeks)	July 2, 2022 (52 vs. 53 Weeks)	Impact of 53rd week (1)	July 2, 2022 (52 vs. 52 weeks)
Case Growth:						
U.S. Broadline	-2.1%	7.5%	5.4%	15.4%	2.5%	17.9%

⁽¹⁾ In fiscal year 2021, the fourth quarter included 14 weeks, and the year included 53 weeks.