

UNFI

BETTER FOOD. BETTER FUTURE.

Investor Day

Evolution of Food Distribution

January 16, 2019



Disclaimers

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This presentation also contains certain non-GAAP financial measures such as adjusted estimated diluted earnings per common share. The reconciliations of non-GAAP financial measures to the most directly comparable GAAP financial measures are presented in the appendix to this presentation. The presentation of these non-GAAP financial measures is not intended to be considered in isolation or as a substitute for any measure prepared in accordance with GAAP. The Company believes that presenting these non-GAAP financial measures aids in making period-to-period comparisons and is a meaningful indication of its estimated operating performance. The Company's management utilizes and plans to utilize this non-GAAP financial information to compare the Company's operating performance during certain fiscal periods to the comparable periods in the other fiscal years and, in certain cases, to internally prepared projections.

UNFI

2019 Investor Day



Today's Speakers



Steve Spinner
Chief Executive Officer & Chairman
UNFI



Sean Griffin
Chief Executive Officer
SUPERVALU



Chris Testa
President
UNFI



Mike Zechmeister
Chief Financial Officer
UNFI



Mario Adamy
National Vice President, Warehouse Automation
UNFI



Anne Dament
Executive Vice President Retail, Marketing & Exclusive Brands
SUPERVALU



Eric Dorne
Chief Information Officer & Chief Administration Officer
UNFI



Danielle Benedict
Chief Human Resource Officer
UNFI



Mike Stigers
Executive Vice President, Wholesale
SUPERVALU

Agenda



General Session

- **Steve Spinner - CEO & Chairman**
- **Mike Zechmeister - CFO**
- **Sean Griffin - CEO, SUPERVALU**
- **Chris Testa - President, UNFI**

Breakout Sessions

- **Anne Dament - EVP, Retail, Marketing & Exclusive Brands**
- **Mario Adamy - National VP, Warehouse Automation**

Resume General Session

- **Steve Spinner - CEO & Chairman**



Opening remarks







****Video****


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Who We Are

We exist to transform the world of food distribution



Our Business Position

North America's Premier Food Wholesaler



Delivering:

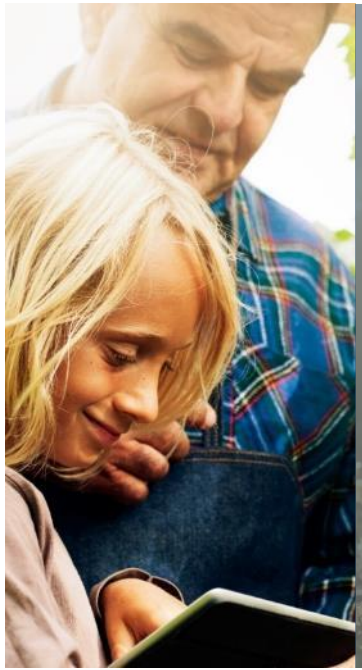
- A deeper 'full store' selection with compelling brands for every aisle
- An unmatched heritage of great food and fresh thinking
- Smarter food solutions, from fulfillment to insights
- Guidance for entrepreneurs and major brands alike to unlock their full potential and transform their business – for the better



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Our Values

Ingrained in our DNA as health food pioneers



Feed the planet.

Better food comes from a healthy planet, and we do our part.

Find the sweet spot.

Be flexible and make change work.

Do the right thing.

Put safety and integrity at the forefront of everything we do.

Deliver together.

Empower each other and win as a team.



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Rationale For Acquiring SUPERVALU

Create compelling value for customers and shareholders

- **Delivers Significant Synergies**
- **Enables Cross Selling Opportunities**
- **Expands Market Reach and Scale**
- **Enhances Technology, Capacity and Systems**
- **Diversifies Customer Base**



….. scale will drive winners in food distribution.

Positioned for Success

Unmatched offerings



	UNFI	Peer A	Peer B	Peer C
Conventional	✓	✓	✓	
Natural	✓			✓
Specialty	✓			✓
Services	✓			
Protein / Produce	✓	✓	✓	
Deli	✓			
Private Brands	✓		✓	
National Positioning	✓			



3-Year Strategy / Focus

- ✓ Successful integration
- ✓ Realize cost synergies
- ✓ Optimize DC network
- ✓ Drive cross selling
- ✓ Generate cash to pay down debt



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Delivering More

Options, expertise and value for our customers

DELIVERING
MORE OPTIONS, MORE VALUE

Grocery
Complete Shopping Experience

Fresh
From perimeter to produce

Wellness
Health & wellness products

eCommerce
Solutions for the virtual store

Services
Store-level expertise

Unmatched offerings

Retail Update

Four of Six SUPERVALU Retail Banners Have Been Sold or Closed



Sold / closed over past 12 months

Farm Fresh

Shop 'n Save

SHOP 'n SAVE

Hornbacher's

Continue to operate / market

Cub

SHOPPERS

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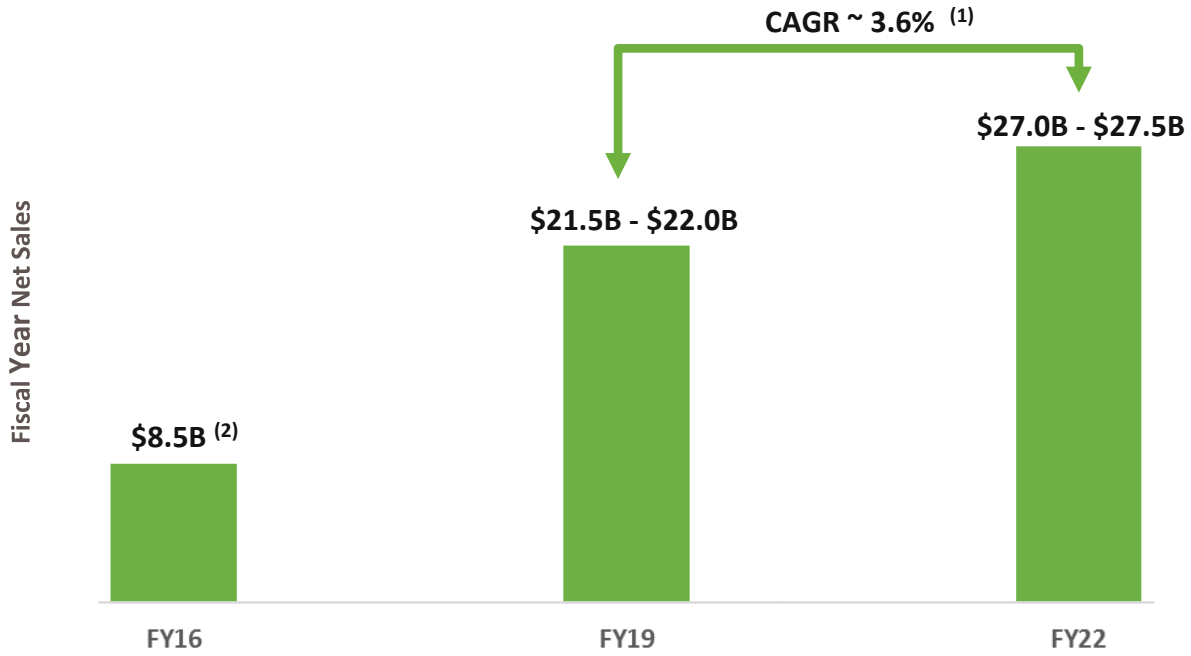
Financial Outlook




Given our scale, unmatched assortment of products & services and significant synergies, we expect to generate meaningful shareholder value

Net Sales

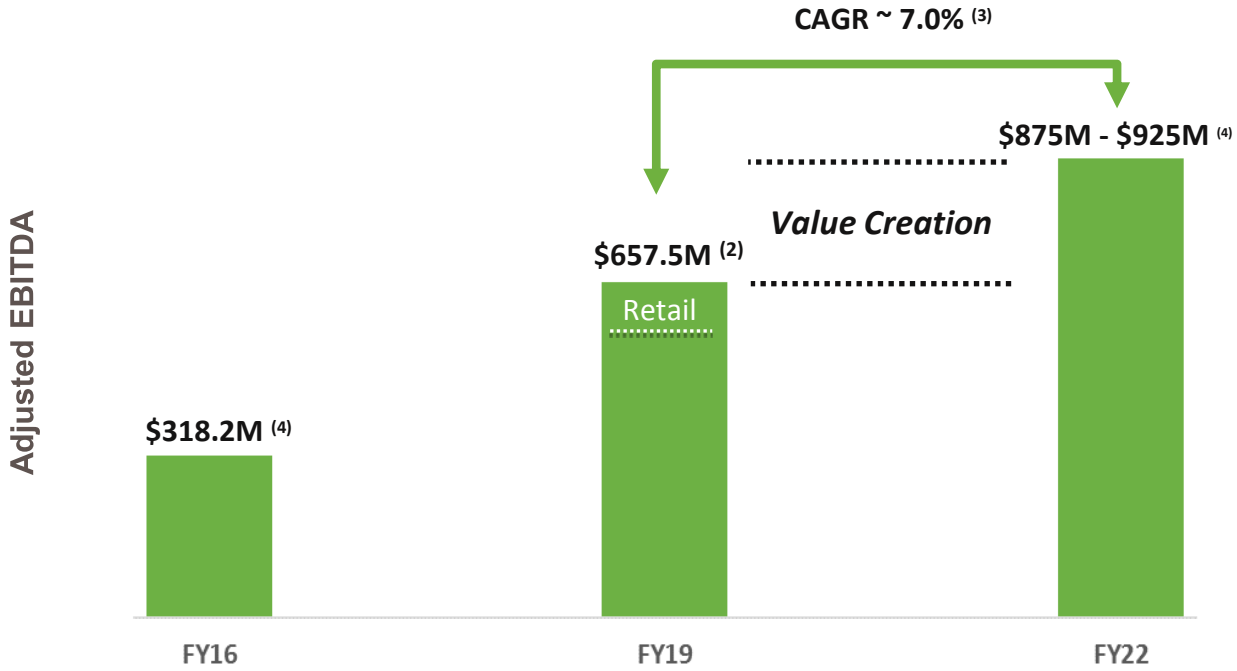
Scale, assortment and services drive growth



[1] When adjusting for the additional 11 weeks of SUPERVALU sales, prior to the acquisition, not included in FY19. Retail sales from Cub and Shoppers are not included in net sales; net sales does include wholesale sales to Cub.
[2] Legacy UNFI only

Adjusted EBITDA [1]

Synergies drive growth



[1] Adjusted EBITDA is an important measure of business performance and is not intended to be a substitute for or be superior to any financial information presented in accordance with generally accepted accounting principles ("GAAP")
[2] Midpoint of estimated range; see reconciliation in appendix
[3] After adding $78M to FY19 to reflect a full year contribution from SUPERVALU
[4] See reconciliation in appendix

Cost Synergies

Affirming cost synergies of more than $185M in year 4

Foundational Support

Infrastructure cost savings

Distribution Network

Optimized cost to serve

> $185M in Year 4 (1)

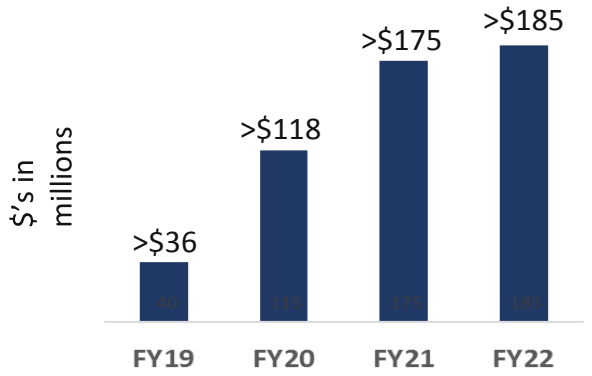
Optimize trade terms/programs

Supplier Base

Best product/service offering

Customer Base

Timeline to Achieve



One-Time Costs to Achieve Synergies (2)

- ✓ FY19 costs: ~ $125M
- ✓ FY20 costs: ~ $35M
- ✓ FY21 to FY24: Cumulative ~ $65M

[1] Excludes revenue synergies

[2] Excludes impact of one-time costs related to retail divestitures and store closures. In FY19, one-time retail closure costs related to Shop 'n Save, Shop 'n Save East, and Hornbacher's are estimated to be approximately $35M - $40M. This does not include any future charges related to store closures or divestitures at Shoppers or Cub.

Free Cash Flow & Other Key Metrics

Expecting debt reduction over the remainder of FY19

Fiscal 2019

- Anticipate net debt reduction of $0 to $100M for Q2 to Q4 of FY19
  - Neutral to modestly positive free cash flow[1] plus proceeds from asset sales for the remainder of fiscal year[2]
- Capital expenditures of 1.3% to 1.5% of net sales in FY19
  - Elevated spend due to distribution center expansions & automation

Longer Term Expectations (FY20 to FY22)

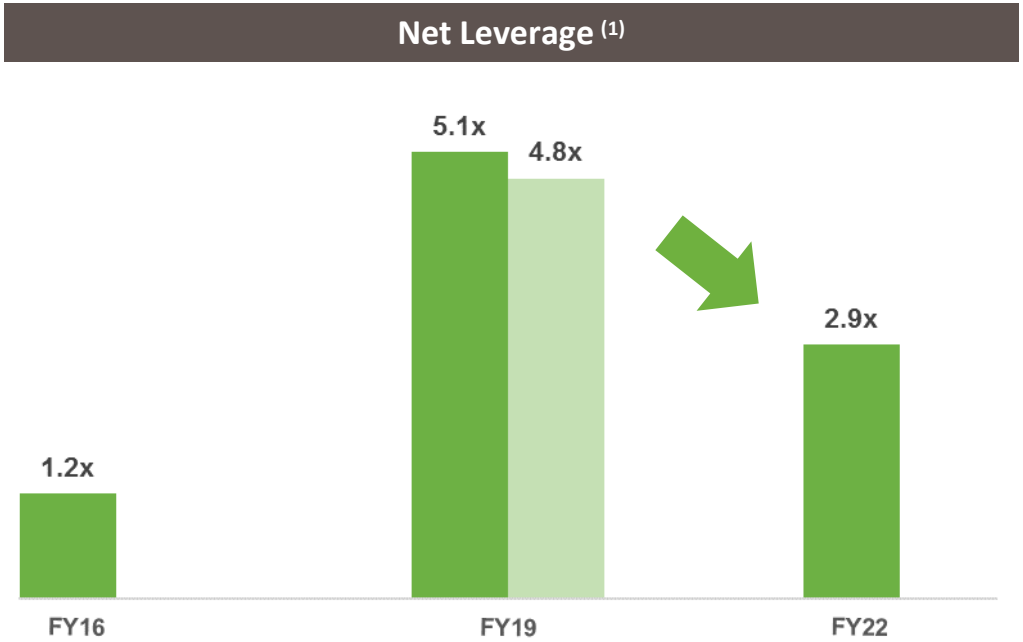
- Capital expenditures average 1.0% of net sales
- Working capital grows slower than net sales
- Tax rate of 28% to 32%[3]
  Evaluating potential tax elections resulting from SUPERVALU acquisition

[1] Defined as cash provided by operations (after tax and interest payments) less capital expenditures
[2] Includes sale of Hornbacher's which closed in Q2 (December 2018); excludes potential sale of Cub or Shoppers
[3] The tax rate applied to pre-tax income prior to non-recurring charges identified by the company

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De-Leveraging

Leverage expected to decline by 2 turns by end of FY22



- ✓ Target leverage is 2.0 to 2.5x (excluding operating leases) (2)
- ✓ Near term plans:
  - No dividends
  - No stock repurchases
  - No additional long-term sale leasebacks
  - No capital raised via equity issuance (3)
- ✓ Potential for additional leverage reduction via sale of non-retail assets

[1] Net leverage = [Face value of total debt less cash] / Adjusted EBITDA; excludes operating leases. FY19 adjusted to include a full year of SUPERVALU contribution.
[2] Including operating leases where net leverage = [Face value of total debt plus (rent expense x 3) less cash] / Adjusted EBITDAR, the target EBITDAR leverage range is approximately 0.1x to 0.2x higher.
[3] Equity will continue to be used for employee stock based compensation, as has been the past practice.

Asset Monetization Opportunities: Beyond Retail

Additional future asset sales expected to further reduce leverage



DC Rationalization



Surplus Property



Other Asset Sales

Estimated proceeds from asset sales beyond retail: $100M to $150M [(1)]

[1] These proceeds are in addition to the "Proceeds from Asset Sales" included in FY19 $0 to $100M debt reduction estimate

Debt Structure & Covenants

Ample liquidity and no ongoing financial maintenance covenants

- Several years until refinancing required
  - $2.1B ABL matures in 2023
  - $1.8B Term Loan matures in 2025
- Ample liquidity
  - $735M at end of Q1 FY19
  - Expecting $700M to $750M at fiscal year end
- Term Loans and ABL credit facilities contain no ongoing financial maintenance covenants

[1] Liquidity is defined as ABL borrowing capacity plus cash

Fiscal 2019 Guidance – 53 weeks

GAAP EPS guidance now includes expected one-time retail store closure & divestiture costs

Net Sales	$21.5 to $22.0 billion
Earnings Per Share	$(0.70) to $(0.50) compared to prior GAAP EPS guidance of $(0.19) to $0.01 per share. Revised GAAP range now includes $35M to $40M of expected expenses associated with the divestiture of Shop 'n Save, Shop 'n Save East and Hornbacher's. No other GAAP EPS guidance changes, at this time. Excludes expected future one-time charges related to store closures or divestitures at Shoppers or Cub and any potential impairment to long-lived assets, including goodwill.
Adjusted Earnings Per Share [1]	$1.69 to $1.89
Adjusted EBITDA [1]	$650 to $665 million Including discontinued operations
Adjusted Interest Expense	$181 to $191 million Excludes $3 million related to the 30-day redemption period of the now retired SUPERVALU notes. Includes non-cash interest expense related to amortization of financing fees and original issue discount.
Taxes	Expect to pay cash taxes related to continuing operations of less than $20 million

[1] See reconciliation in appendix

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Takeaways

- ✓ **Synergies enable strong Adjusted EBITDA growth**
- ✓ **Meaningful opportunities to monetize assets**
  - **Debt reduction imperative**
- ✓ **Ample liquidity, no near term debt maturities, and no financial maintenance covenants**

We Believe In The Combination With SUPERVALU



Sean Griffin

CEO, SUPERVALU



Acquisition of SUPERVALU

Managing the business for long-term value creation



The long-term strategic rationale remains unchanged



Integration Vision

Path to the new UNFI

Current State







Disparate Systems & Processes → **Creating** → **Additional work** → **Resulting In** → **Inefficient Operating Model**

One Company

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Standard Platform → **Enabling** → **Common Processes** → **Resulting In** → **Efficient Operating Model**

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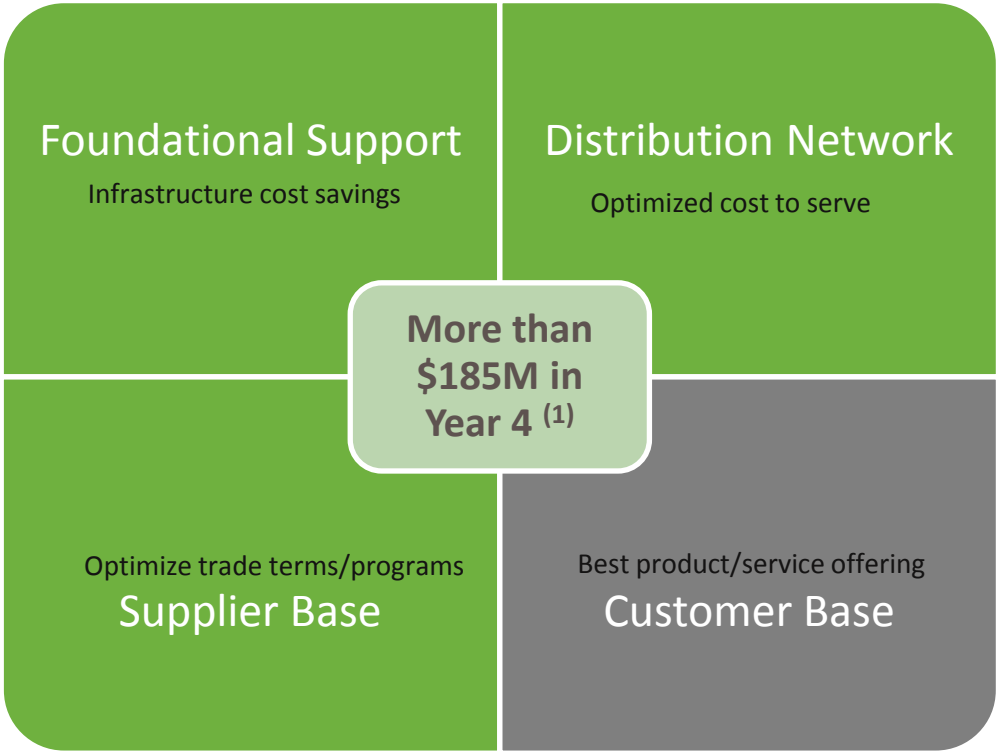
Integration Approach

Unlocking and delivering synergies

Synergy Type	Comments
Duplication / Elimination *"Just do it"*	• Used to achieve initial FY19 synergies and some FY20 synergies • Maximize opportunities quickly
Process Enabled "Integrate"	• Drives moderate synergy achievement each year • Operating Model Changes
System Enabled "Standardize"	• Drives FY21 and FY22 synergies • Lead time & Investments • Change Management

Synergies create value

We're on track for delivering more than $185M in cost synergies in year 4

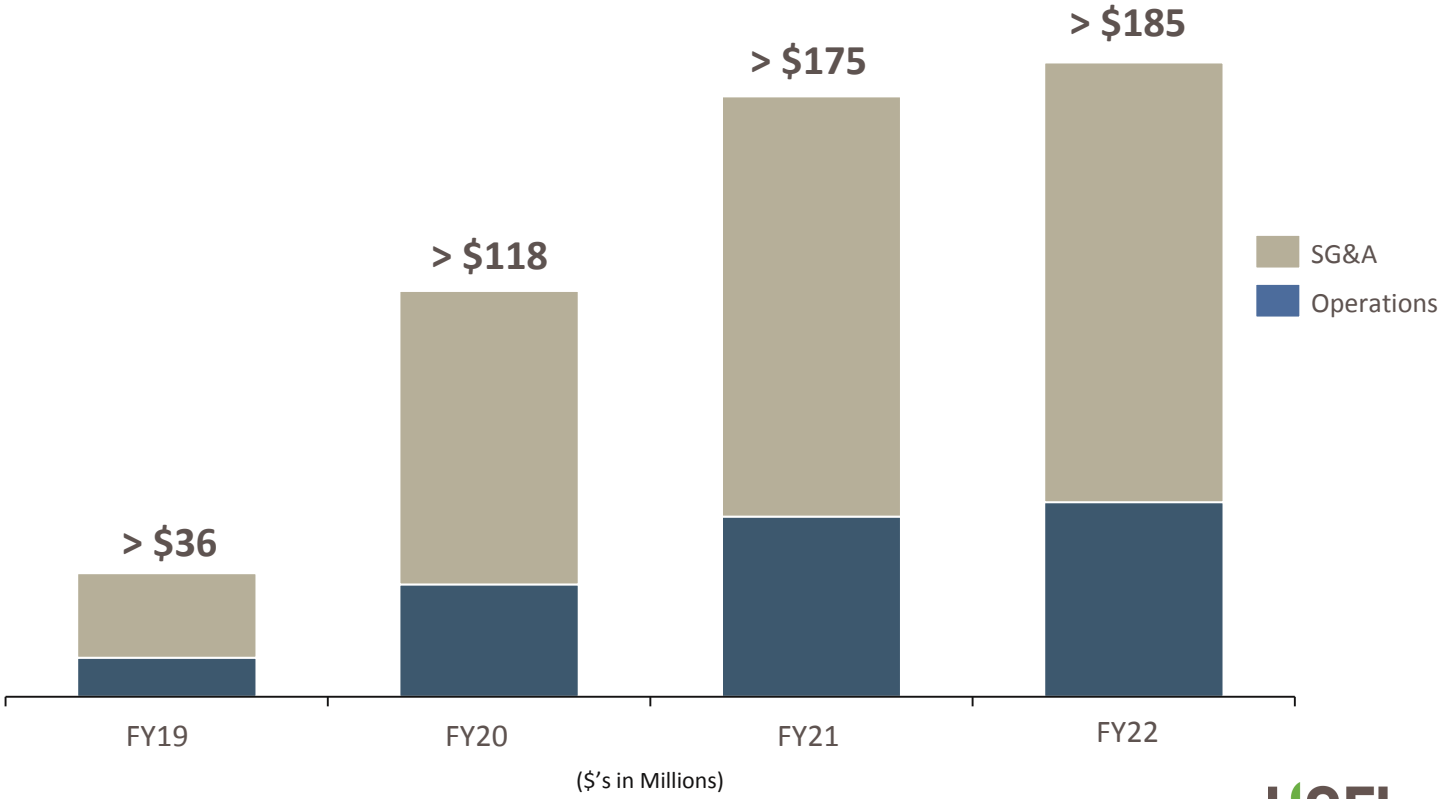


[1] Excludes revenue synergies

Timing of synergies

Committed to more than $185M but going after more

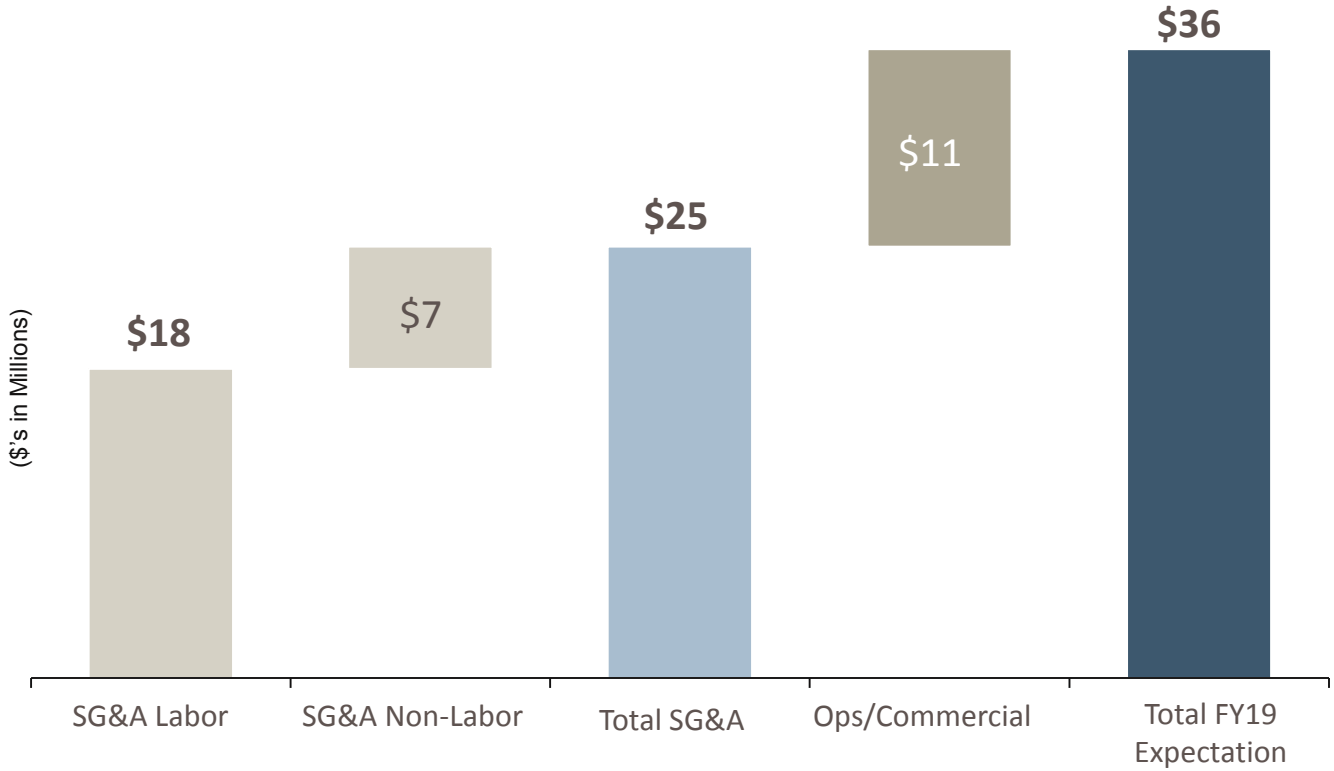




($'s in Millions)

Fiscal Year 2019 Synergies

Mix of SG&A, operational and commercial savings



Integration Process

Moving quickly and pragmatically to capture synergies and manage risk



Focus efforts

- Prioritize efforts and investment based on risk adjusted expected returns
- Organize teams around achieving synergy targets
- Keep it simple



Take a Disciplined Approach

- Get momentum with customers, suppliers, and associates
- Drive momentum with executive sponsorship
- Measure, track, and deliver on a regular cadence

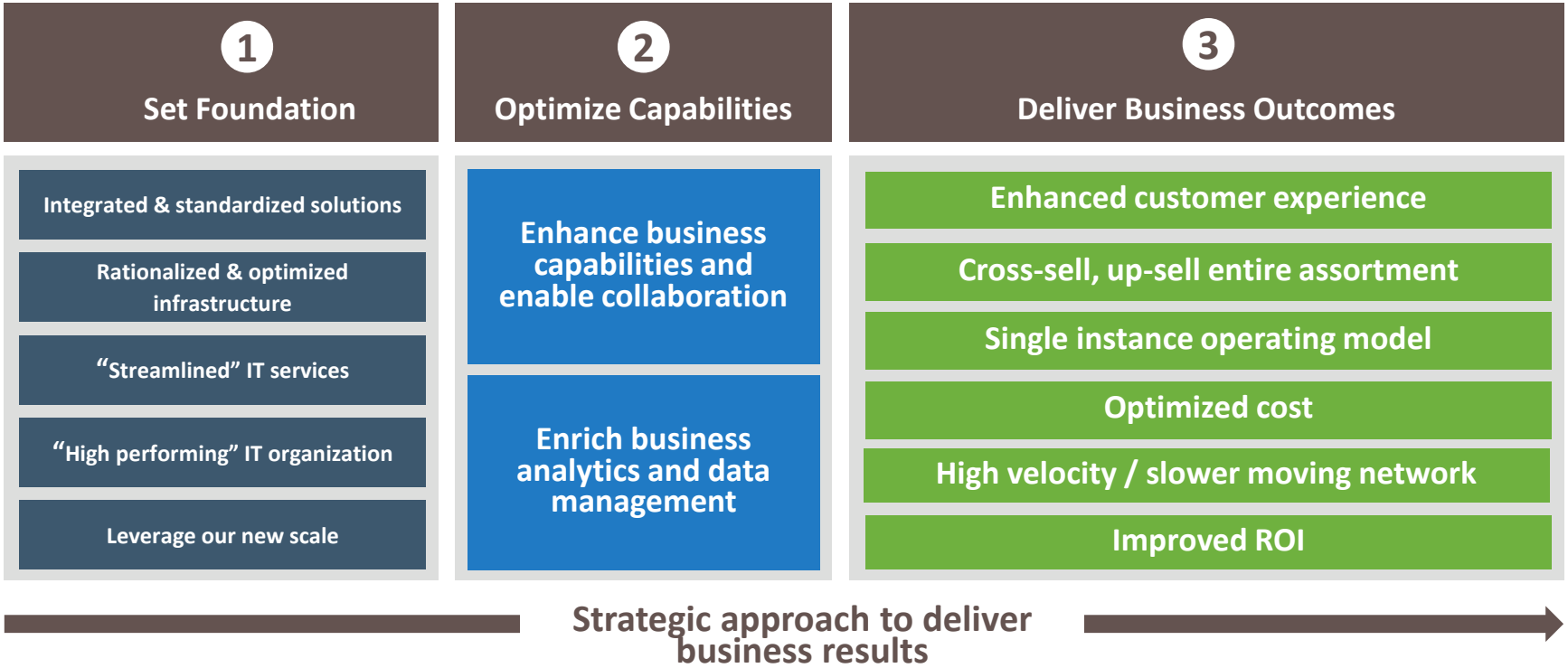


Manage the Change

- Identify what changes, when and build plans to manage
- Manage change with associates, customers, and partners
- Communicate targeted messages regularly

Technology Levers

Strategic, deliberate approach to deliver business value



What We've Learned…What We're Doing

Strengths



Solid Talent and infrastructure



Customers and suppliers excited about the deal

Opportunities



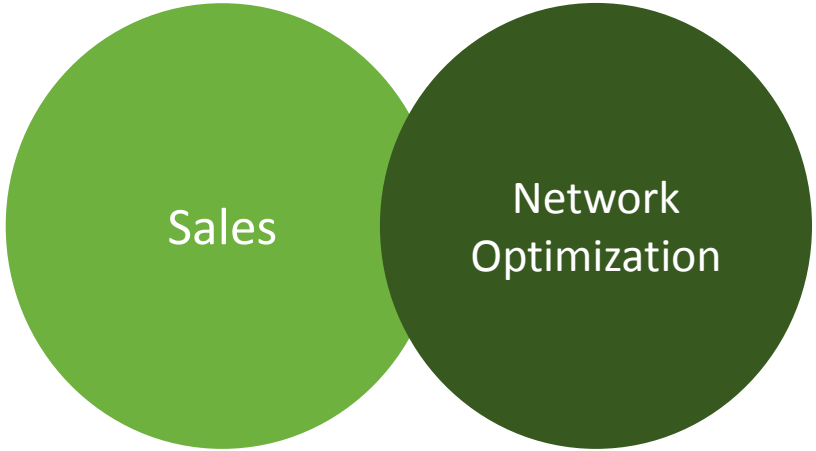
Complexity



Lack of consistent metrics / KPI's

We'll build from our strengths and use opportunities to deliver improved performance

SUPERVALU performance



- ✓ Softness in center store
- ✓ Losses due to network alignment
- ✓ Impact on gross margin

- ✓ Pacific Northwest
- ✓ Harrisburg/Lancaster
- ✓ Florida

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Network optimization/realignment specifics



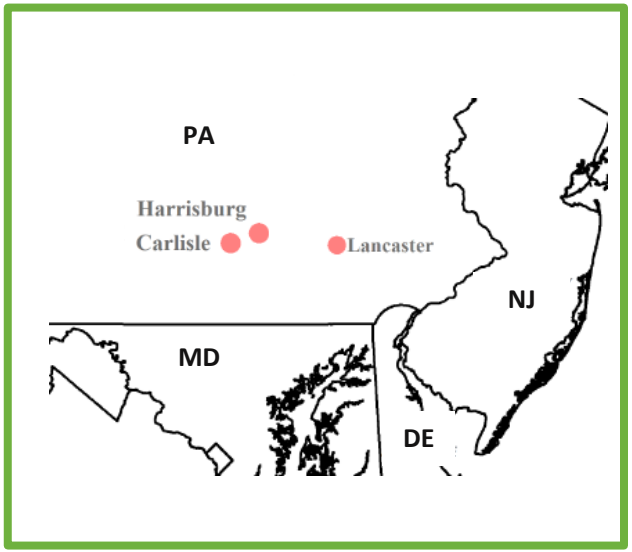
Legacy SVU
Legacy UNFI

Pacific Northwest Consolidation



- Optimization:
  - SVU operating synergies modeled from 3 DCs to 1
  - Model will be 1 DC hi velocity and 1 DC slower moving
  - Opportunity to sell real estate and reduce leverage

Move from Lancaster to Harrisburg (PA)



- Realignment:
  - Albertsons exercised option to force relocation from Lancaster to Harrisburg
  - Automation of GM in Carlisle
  - Greenfield start up
  - Reduced operating efficiencies

Takeaways

- ✓ Long-term rationale for the deal remains unchanged
- ✓ On track to deliver > $185M in cost synergies by year 4
- ✓ Challenges with SUPERVALU business are fixable
- ✓ Path forward on systems and technology integration
- ✓ Balancing speed and managing risk
- ✓ Revenue synergies and reduction in inventory are upside to the value creation

Unlocking The Opportunity for UNFI & Today's Retailer



Today- Our Diverse Customer Base

No one is better positioned to serve this range of customers than UNFI

Natural	Conventional	Premium	Ethnic	Value
Whole Foods Market	Wegmans	The Fresh Market	Lotte Plaza Market	Shoppers Value Foods
Sprouts Farmers Market	Kroger	Kowalski's Markets	Fiesta Foods	B. Green Cash & Carry
National Co+op Grocers	Publix	Dierbergs	Northgate Market	
	Stop&Shop			

eCom	Alternative
Vitacost	Mills Fleet Farm
jet	

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What Retailers Need Today

Adapting to a competitive environment



- ✓ Complete store offerings
  - Top sellers and new products
- ✓ Consolidated supplier to reduce labor and COGs
- ✓ Insights, expertise and Food Solutions beyond product and price

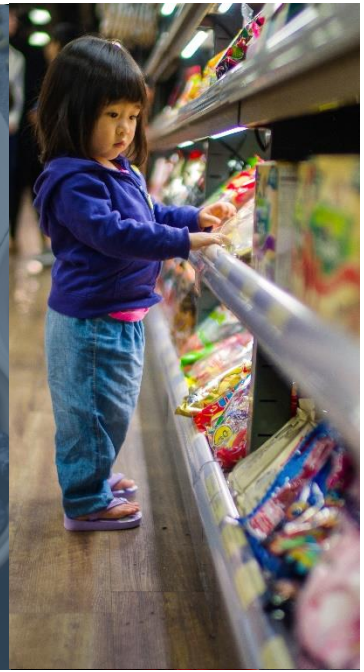


[1] Based on FY2018 Annual Report

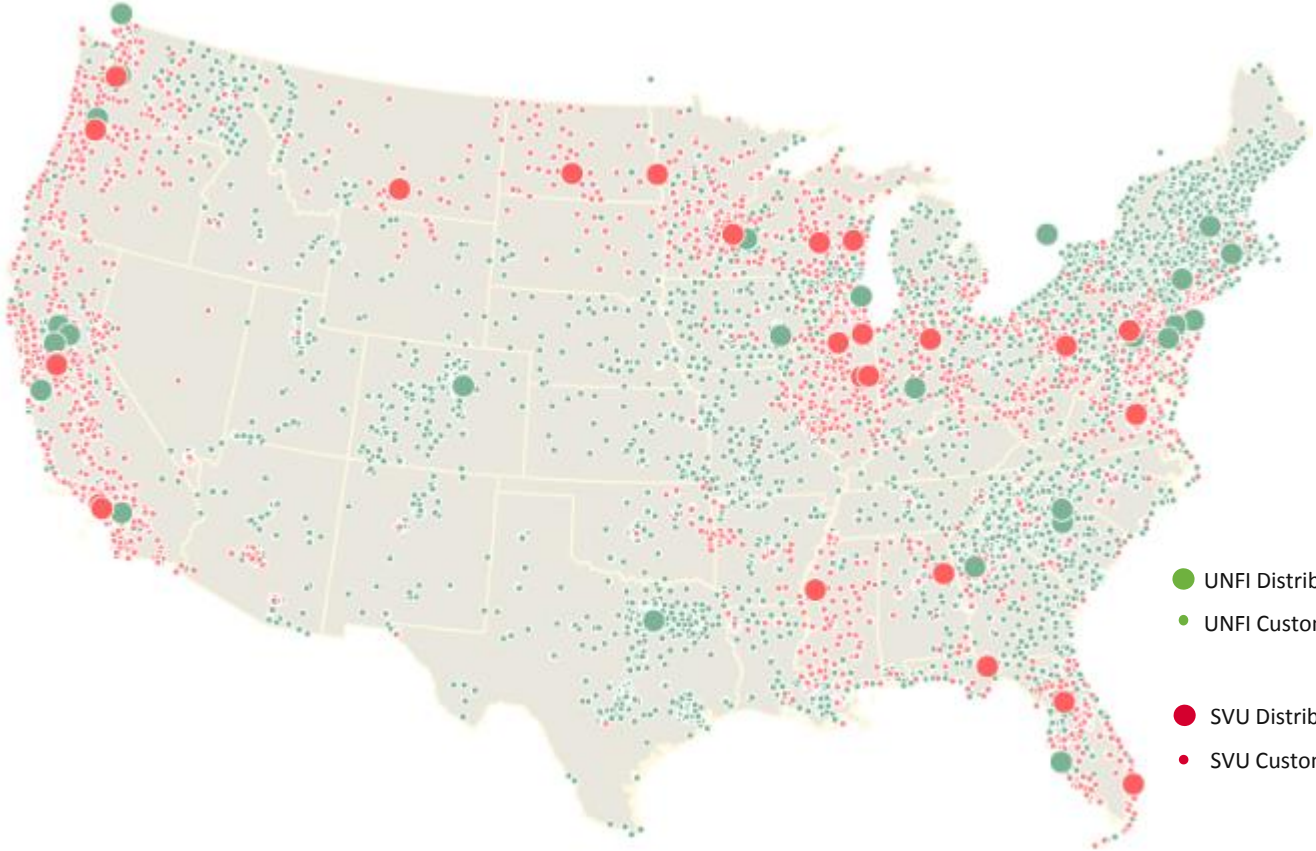
Scale Matters







The Most DCs = Closer to the Customer





Unparalleled Product Offering

Over 300,000 SKUs covering the whole store

- ✓ Top suppliers want to work with us

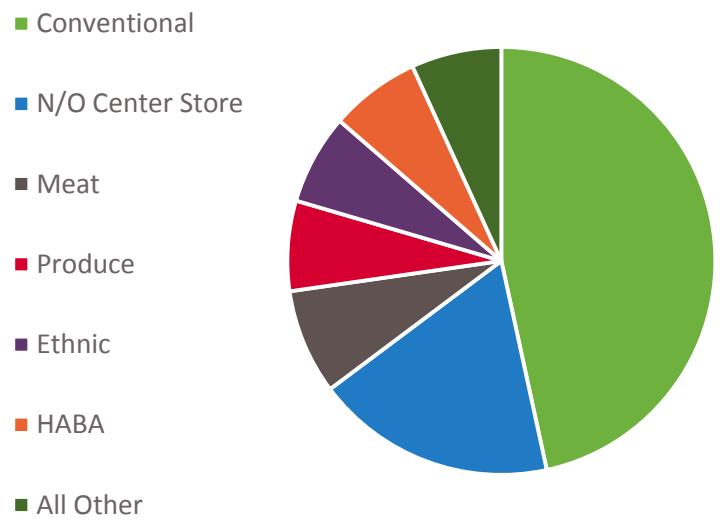
  (Access to the broadest customer base)

- ✓ First to market with new products

  (Over 1,000 new items per month)

- ✓ Tremendous exclusive brands offering

  (Over 6,000 SKUs in 100+ categories)



Scaling the Opportunity

In food distribution scale wins

UNFI

- ✓ Larger drop = higher margin
- ✓ Widest selection = competitive moat
- ✓ Supplier leverage = lower acquisition cost
- ✓ Distribution network = lower cost to serve

RETAILER

- ✓ Fewer drops = lower labor costs
- ✓ Consolidate purchases = lower price
- ✓ Closer to DC = shorter lead times
- ✓ Fewer suppliers = back-of-house savings (AP, credits, etc.)



Leveraging the Center Store Portfolio

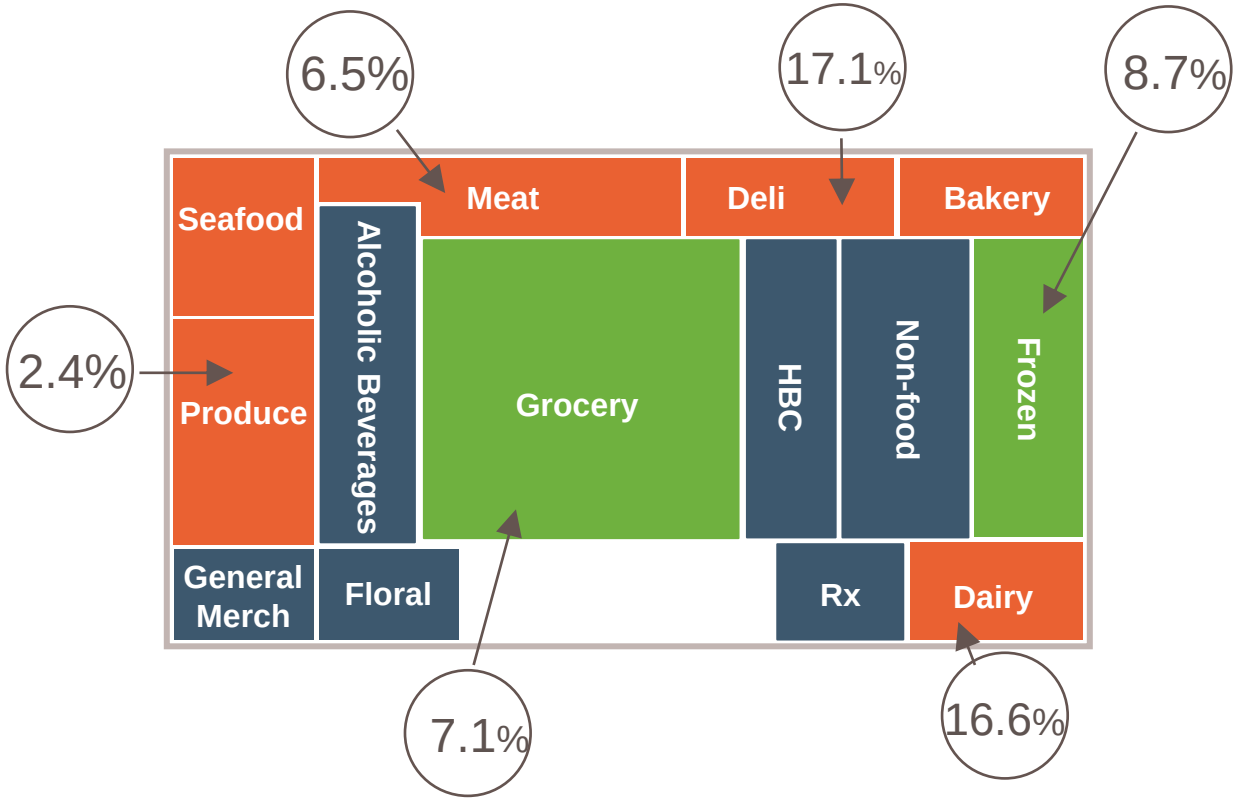


Natural & Organic Fuels Growth in Conventional

Natural products $ growth by department vs year ago

7.1%

Growth of natural and organic products in conventional stores



SPINS Data – 52 weeks ending 11/4/18

Cross Trend With Natural & Conventional

3 Year trend validates an opportunity for cross selling



	Natural Channel				Conventional (Food)			
Total Channel Sales = $B	$7.9	$8.7	$9.1	$25.7	$317.9	$319.8	$324.2	$961.9
Year	2016	2017	2018	3 Yr. Total	2016	2017	2018	3 Yr. Total
Total Channel Sales	8.2%	5.9%	5.3%	6.4%	1.3%	0.7%	1.4%	1.1%
Conventional Products	13.7%	5.2%	5.3%	7.7%	-0.5%	-0.8%	0.2%	-0.4%
Natural Products	7.3%	6.1%	5.1%	6.1%	11.1%	9.0%	7.1%	8.9%

Cross Selling generates incremental margin from existing accounts.

SPINS Data – 52 weeks ending 11/4/18

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Vendors Confirming Cross-Selling Opportunity

UNFI historically sold 10x the SVU revenue with Amy's®

2018 Revenue





Amy's® Calendar Year Shipments

Building Out The Store



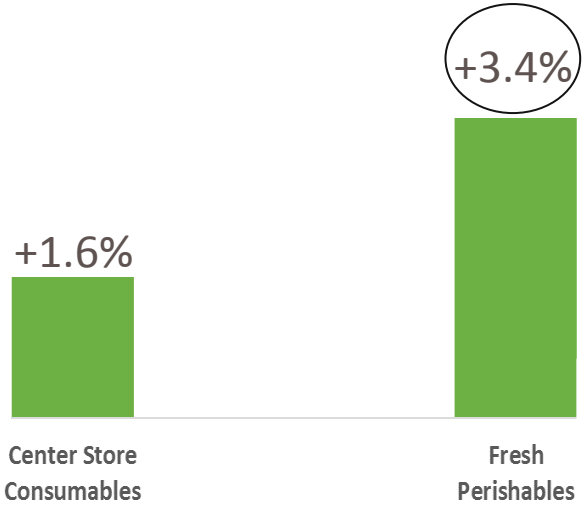




Retailers are Focused on the Perimeter

UNFI has the solutions for perimeter sales which are growing twice as fast as center store







Source: Nielsen Retail Measurement Services for 52 weeks ended September 29, 2018

Produce Sourcing Creates Opportunities

$1.5 billion coast-to-coast produce wholesaler with access to worldwide supply chain

Over 3,000 Produce customers currently serviced

unfi united natural foods **CUSTOMERS**

Mostly Organic. Looking for conventional.

200 suppliers from 100 countries

SUPERVALU CUSTOMERS

Mostly Conventional. Looking for organic.



Power of Protein

Opportunity to offer full protein assortment

unfi united natural foods | Albert's ORGANICS

Frozen

Organic & "free from"

Wall Deli

TONY'S Fine Foods

Premium/Imported

Upscale & Specialty

SUPERVALU

Commodity

Conventional

Bulk. Fresh



Incremental sales opportunity [1]

[1] Across UNFI and SUPERVALU customer bases.

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Growth Beyond Traditional Grocery



Professional Services

Connecting with customers beyond the shelf



Faster

Better

Value Added

Existing services provided by SuperValu today

875,000 payroll checks issued

2,300 financial statements generated
750 income tax returns prepared

21,000,000 coupons processed

3,300 stores on front end payment processing

Services = 100% Upside for Legacy UNFI

Providing more than just a product and price to increase customer loyalty



UNFI

- ✓ Incremental margin
- ✓ Leverages existing infrastructure
- ✓ Increases customer loyalty

CUSTOMER

- ✓ Reduces operating costs
- ✓ Turnkey incremental revenue
- ✓ Solutions to drive sales



Offering UNFI customers complimentary services is a short-term priority

Over $2B/Year in Complimentary Channels

UNFI's offerings appeal to customers beyond brick and mortar

	Customer Needs	UNFI Capability
Food Service	• Innovative front of house SKUs • Back of house ingredients • Sales expertise	Wideset variety of top sellers and new innovative SKUs
Military	• Best Price • Wide variety	Best Price
International	• Locations close to shipping ports • In-market sales personnel	Closet to the customer
Ethnic	• Buying and Selling functions for core ethnic market	Industry expertise.

UNFI Enables Customers for eCom

Uniquely positioned to provide total eCom package

unfi united natural foods

Back-of House Expertise

- Logistical Foundations
- Product Content
- Direct Sales to eTailers
- Drop Ship Capability
- Endless Aisle Capabilities
- API for eGrocery
- Honest Green
- UNFI Easy Options

SUPERVALU

Driving Sales Growth

Driving online sales and retailer value via:

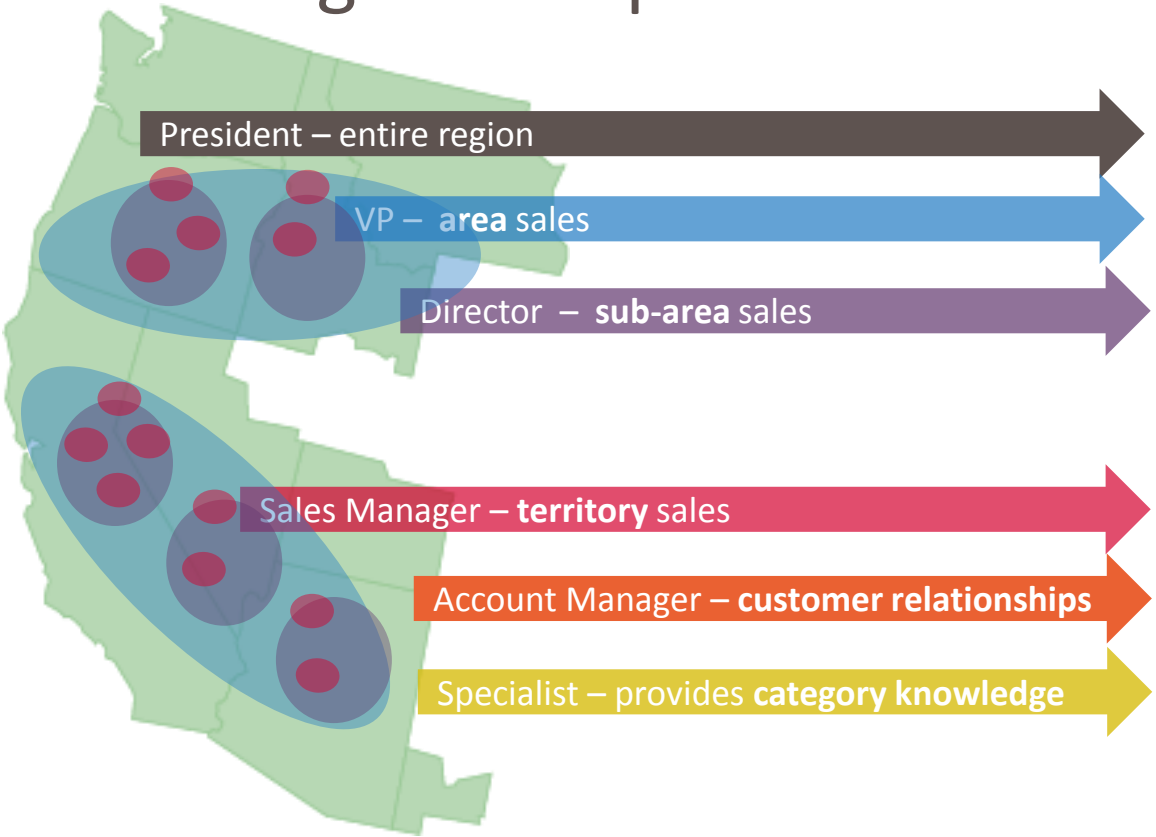
- Email
- Social Media
- Couponing
- Display Ads
- Mobile App
- Search Engine Marketing (SEM)
- Search Engine Optimization (SEO)
- Strategic Partnerships

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Customer Execution



Regional Expertise and Accountability



Focused on
Cross-Selling
opportunities

Focused on
Channel Specific
SVU = Conventional
UNFI = Broadline

National Sales

Chain

International

eCom

Military

UNFI
BETTER FOOD. BETTER FUTURE.

Takeaways

- ✓ **Food dynamics are changing and UNFI has what today's retailer needs**
  - **Broad product selection, delivered better and faster**
  - **Key perimeter categories**
  - **Unmatched services and solutions beyond food**
- ✓ **Significant cross-selling opportunity for natural & organic into conventional and vice-versa**
- ✓ **Well positioned for e-commerce and complimentary channels**

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Differentiated Exclusive Brands Expected To Drive Growth



Exclusive Brands Vision



Industry-Leading Brand Portfolio

Building trust with retailers to grow a more loyal customer base

	SPECIALTY	NATURAL	CONVENTIONAL
	$9.8B channel sales	$9.0B channel sales	$323 channel sales
Entry Level			Shoppers Value
Mid Level	EQUALINE, Asian Gourmet, Stone Ridge Creamery, Super Chill, Mediterranean Organic	field Day, wild Harvest, Koyo, Mediterranean Organic	Asian Gourmet, Essential Everyday, Tumaro's, Koyo, Springfield, Arctic Shores, EQUALINE, Super Chill, Stone Ridge Creamery
Premium Level	Mt Vikos, wild Harvest, Eat Because Woodstock It's Good!, Culinary Circle	Mt Vikos, Eat Because Woodstock It's Good!	Mt Vikos, wild Harvest, Eat Because Woodstock It's Good!, Culinary Circle

$1.5B in Exclusive Brand Sales = Top 20 U.S. CPG Company

Total U.S. Retail Dollar Sales – NPI in Natural, Specialty Gourmet, Conventional (Food) or MULO Channels, 52 Weeks Ending 10/7/18

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How We Will Grow

- Invest in strategic brands representing significant growth potential
- Accelerate new item introductions
- Leverage breadth of portfolio into new labels
- Launch new brands with existing customers
- Launch existing brands to new customers



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Our Core Strategic Pillars



Optimize our portfolio



Grow fresh category



Leverage customer base



Invest in innovation

Customer Benefits



- Top customers have 15% exclusive brands penetration
- Retailers affiliated with our exclusive brands are more profitable customers, with stronger category margin



Essential Everyday 20.5oz Nutty Nuggets
- Average retail $2.14
- Average cost = $1.60
- Average margin = 25%



National Brand Equivalent
- Average retail = $3.33
- Average cost = $3.19
- Average margin = 4%

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Takeaways

- ✓ **Customer drives our decisions**
- ✓ **Strong cross-selling opportunities to combined customer base**
- ✓ **Exclusive brands drive benefits for both UNFI and our customers**

Transaction Drives Operating Benefits



Supply Chain

Our distribution network is primed to deliver a differentiated customer experience driving shareholder value



TACTICAL EXECUTION

- ✓ Cost of Goods Improvement
- ✓ Transportation Efficiency
- ✓ Inventory Optimization
- ✓ Op Expense Reduction
- ✓ Capacity Improvement

STRATEGIC OBJECTIVES

- ✓ Network Optimization
  - Customer Offering
  - Omni-Channel
  - Growth
  - Asset/Capital Management

Supply Chain

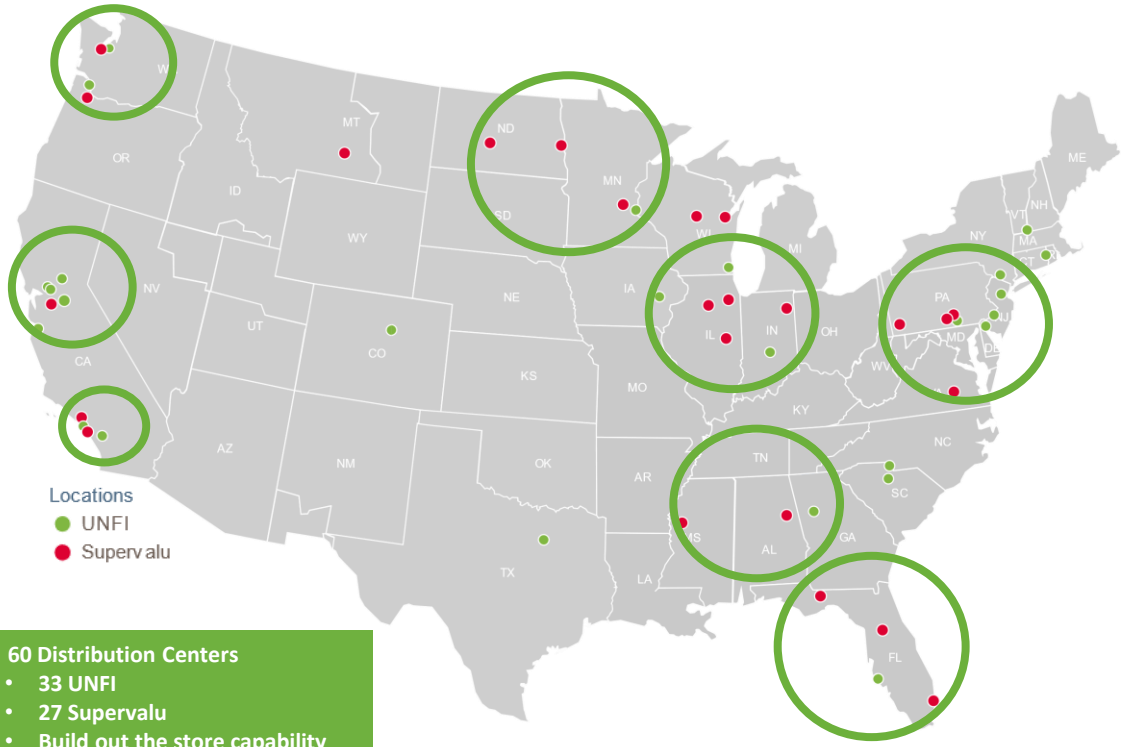
Combined network expected to lower COGs and transportation costs ….

Cost of Goods

- ✓ Better pricing
- ✓ Service levels
- ✓ Inbound freight
- ✓ Investment buys & forward warehouse

Transportation

- ✓ Single deliveries
- ✓ Fewer stops / miles
- ✓ Increased fleet utilization
- ✓ Backhaul opportunities

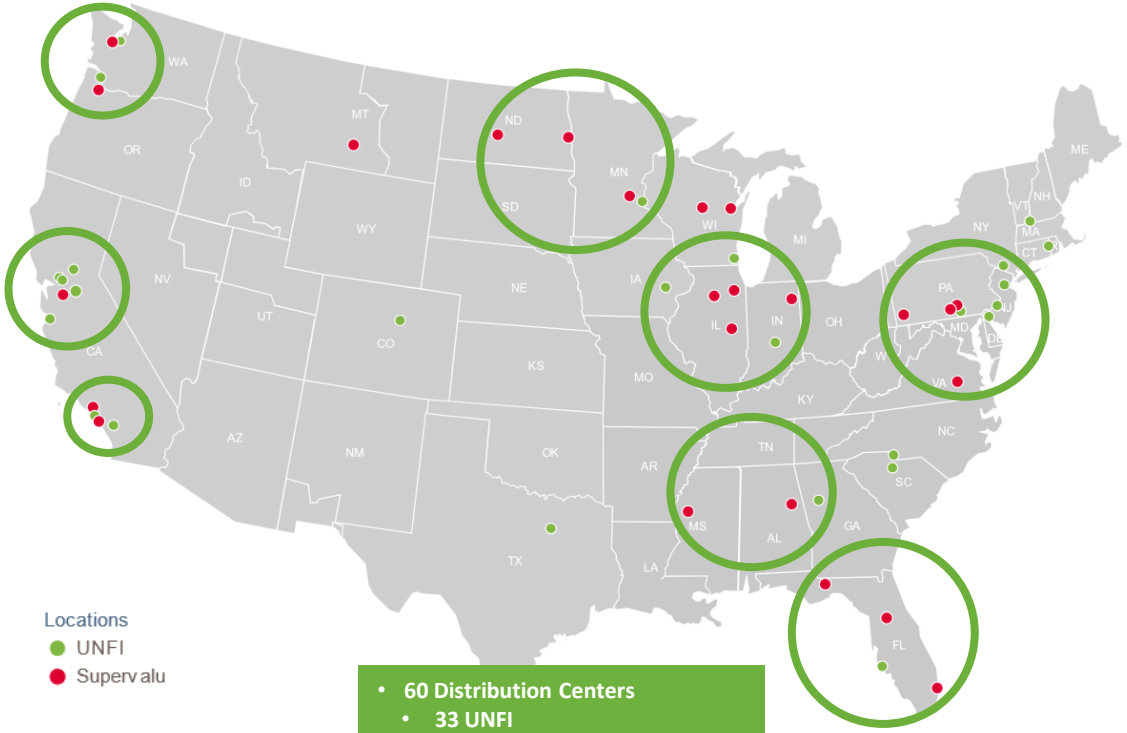


- 60 Distribution Centers
  - 33 UNFI
  - 27 Supervalu
  - Build out the store capability
  - 24 within 3 Hrs. drive time

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Supply Chain

… while improving working capital and lowering operating costs



- 60 Distribution Centers
  - 33 UNFI
  - 27 Supervalu
  - Build out the store capability
  - 24 within 3 Hrs. drive time

Inventory

- ✓ Eliminate redundant inventory
- ✓ Lower overall safety stock
- ✓ Reduce shrink
- ✓ Improved shelf life

Operating costs

- ✓ Increased labor productivity
- ✓ Eliminate redundant fixed costs
- ✓ Reduce 3PL/outside storage and improve capacity
- ✓ Leverage automation

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Distribution Consolidation

Distribution Center Consolidation – Pacific Northwest Example



- Inbound to 5 Distribution Centers
  - 3PL support
  - Outside storage
  - Cross-dock from Northern CA
- Outbound from 5 Distribution Centers

- Inbound to 2 Distribution Centers
  - Eliminated duplicity of operations
- Outbound from 2 Distribution Centers
  - Velocity-based distribution efficiency

✓ Expanded Customer Offering

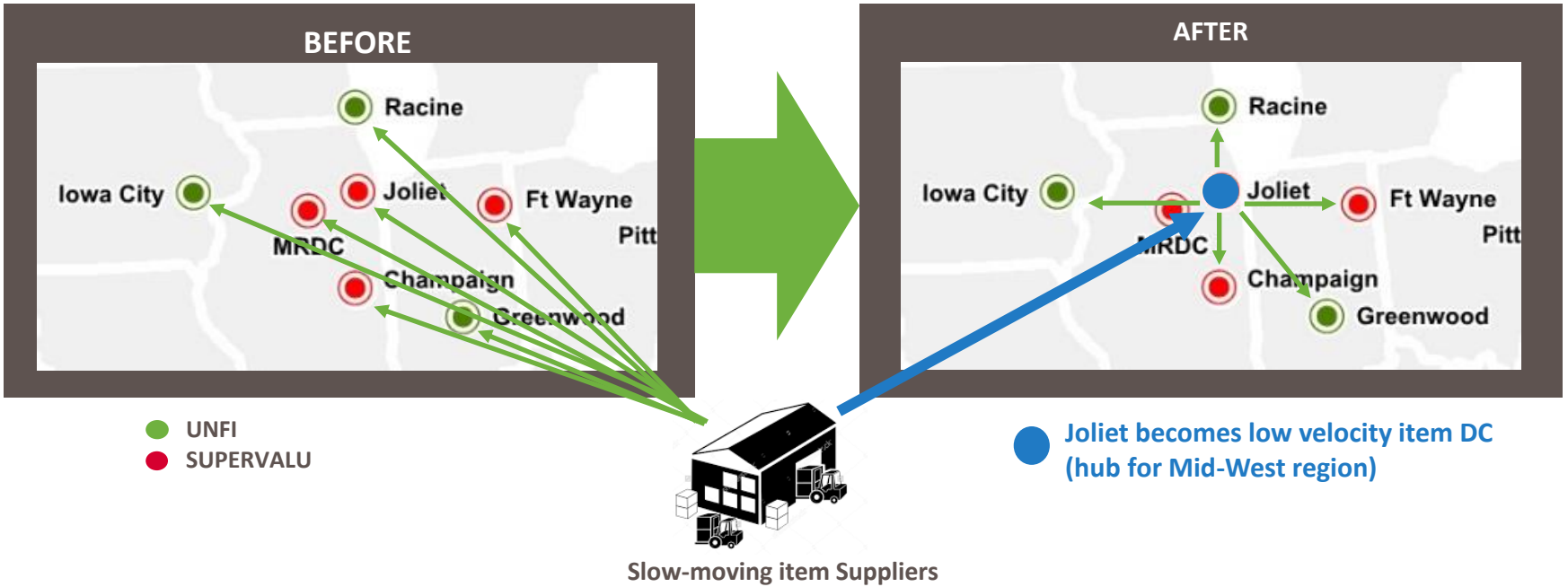
✓ New Customer Growth

✓ Monetization of Assets

UNFI
SUPERVALU

Network Optimization

Regional Distribution Strategy - Midwest Example



Bringing Distribution Optimization To Life

Supply Chain

Executing our strategy will deliver shareholder value

Operating Synergy

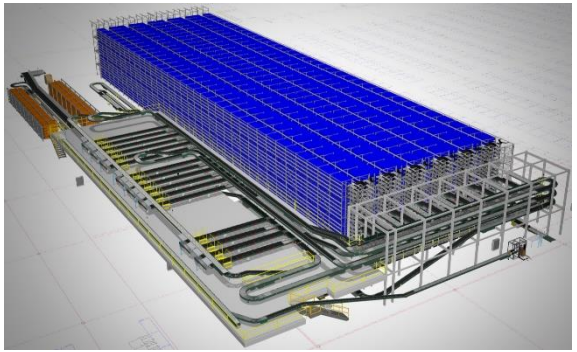
FY19 Synergy

- ✓ Inbound Management
- ✓ DC Operating Efficiency
- ✓ Transportation Efficiency
- ✓ Indirect Spend Management

Operations is already executing to realize committed synergies but going after more!

Automation Strategy

Long-term Strategy



Strategic Benefits

- ✓ Labor efficiencies
- ✓ Less dependent on human capital
- ✓ Capacity improvement
- ✓ Inventory accuracy
- ✓ Energy reductions
- ✓ eCommerce enablement

FY2019 Execution

- ✓ SoCal & PNW investments
- ✓ Greater than 20% IRR
- ✓ 12 months concept to implementation
- ✓ SoCal start-up Nov. 2019

Takeaways

- ✓ **Supply chain is a large beneficiary of this transaction:**
  - **Improved cost of goods**
  - **Lower transportation and operating costs**
  - **Improved working capital**
- ✓ **Optimizing our combined scale will drive expected synergies**
- ✓ **Capitalizing on network and consolidation opportunities**
  - **Creates efficiencies, enhances capabilities and potentially monetizes assets**
- ✓ **Automation will be thoughtfully utilized, balancing investment with operating benefits**

Maintain Focus On Our Core Values - Together



Giving back

Over $1.3 million donated and 7,100 hours volunteered with causes in our communities



Hunger relief

More than 16.9 million pounds of food donated – providing over 1.3 million meals to those in need



Fleet efficiency

Named to Food Logistics' Top Green Providers List for 5th year in a row



Climate impact

6,356 MWh in solar energy generated on site



Waste diversion

78% of waste diverted from landfill

Food waste audit to be completed in FY19

Closing Remarks



Questions and Answers



Appendix

Reconciliation of Adjusted EBITDA – Fiscal 2016

Reconciliation of 2016 Net Income to Adjusted EBITDA (unaudited)

(in thousands)	Year Ended July 30, 2016
Net Income attributable to United Natural Foods, Inc.	$ 125,766
Provision for income tax	82,456
Total other expense, net	15,887
Depreciation and amortization	71,006
Restructuring and asset impairment expenses	5,552
Acquisition related costs	2,194
Share based compensation	15,308
Adjusted EBITDA	$ 318,169

Appendix

Reconciliation of Adjusted EBITDA – Fiscal 2019 Guidance

Reconciliation of 2019 Guidance for Net (Loss) Income to Adjusted EBITDA

	Fiscal Year Ending August 3, 2019		
(in thousands)	Low Range	Estimate	High Range
Net Income attributable to United Natural Foods, Inc.	$ (38,000)		$ (30,000)
(Benefit) provision for income tax	(11,000)		(9,000)
Restructuring, acquisition, and integration related costs [(1)]		125,000	
Retail divestiture costs and charges [(2)]	35,000		40,000
Net interest expense		186,000	
Total other (income) expense, net		(2,000)	
Depreciation and amortization [(3)]		332,000	
Share based compensation		58,000	
Net periodic benefit income, excluding service costs [(4)]		(35,000)	
Adjusted EBITDA	$ 650,000		$ 665,000

(1) Includes approximately $3 million of interest expense related to the SUPERVALU notes.
(2) One-time store closure and divestiture costs related to Shop 'n Save, Shop 'n Save East, and Hornbacher's.
Excludes any potential future one-time charges related to store closures or divestitures at Shoppers or Cub.
(3) Preliminary estimate subject to finalization of purchase accounting.
(4) Related to the SUPERVALU pension plan.

Appendix

Reconciliation of FY19 Guidance for Adjusted EPS

Reconciliation of 2019 Guidance for Estimated Net (Loss) Income per Common Share to Estimated Non-GAAP Adjusted Diluted Income per Common Share (unaudited)

	Fiscal Year Ending August 3, 2019		
	Low Range	Estimate	High Range
Net (loss) income per diluted common share	$ (0.70)		$ (0.50)
Restructuring, acquisition, and integration related costs [(1)]		2.40	
Retail divestiture costs and charges [(2)]		0.72	
Tax impact of adjustments		(0.74)	
Adjusted net income per diluted common share	$ 1.69		$ 1.89

(1) Also includes the loss on debt extinguishment and interest expense on bonds incurred in the first quarter of fiscal 2019.

(2) Mid-point of $35M to $40M range related to one-time store closure and divestiture costs at Shop 'n Save, Shop 'n Save East, and Hornbacher's. Excludes any potential future one-time charges related costs related to store closures or divestitures at Shoppers or Cub.

Appendix

Reconciliation of Adjusted EBITDA – Fiscal 2022

Reconciliation of 2022 Net Income to Adjusted EBITDA

	Fiscal Year Ending August 3, 2022		
(in thousands)	Low Range	Estimate	High Range
Net Income attributable to United Natural Foods, Inc.	$ 139,000		$ 175,000
(Benefit) provision for income tax	53,000		67,000
Net interest expense		196,000	
Total other (income) expense, net		(2,000)	
Depreciation and amortization		471,000	
Share based compensation		61,000	
Net periodic benefit income, excluding service costs [(1)]		(43,000)	
Adjusted EBITDA	$ 875,000		$ 925,000

(1) Related to the SUPERVALU pension plan.