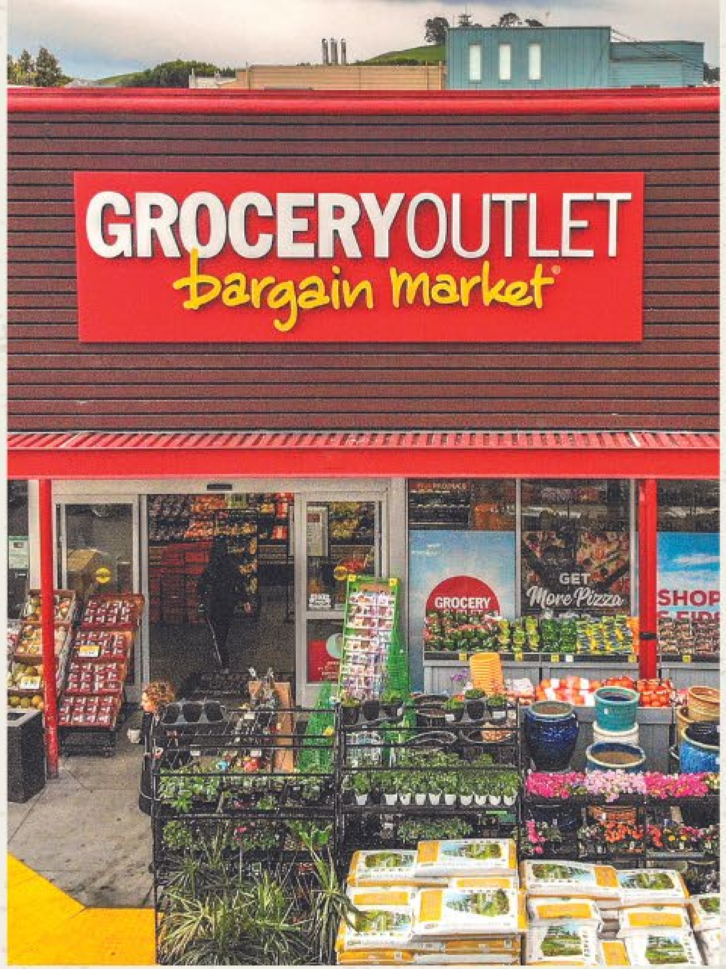
Grocery Outlet Business Overview

November 2025



Disclaimer

Forward-Looking Statements

This presentation includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this presentation other than statements of historical fact, including statements regarding the Company’s future operating results and financial position, the Company’s business strategy and plans, , the opening of new stores and new store growth, the acquisition integration of United Grocery Outlet, business and market trends, macroeconomic and geopolitical conditions, our private label program, and the sufficiency of the Company’s cash balances, working capital and cash generated from operating, investing, and financing activities for the Company’s future liquidity and capital resource needs may constitute forward-looking statements. Words such as "anticipate," "believe," "estimate," "expect," "intend," "may," "outlook," "plan," "project," "seek," "will," and similar expressions, are intended to identify such forward-looking statements. These forward-looking statements are subject to a number of risks, uncertainties and assumptions that may cause actual results to differ materially from those expressed or implied by any forward-looking statements, including the following: failure to maintain or increase comparable store sales; any significant disruption to our distribution network, the operations, technology and capacity of our distribution centers and our timely receipt of inventory; risks associated with newly opened stores; risks associated with our growth strategy, including opening, relocating or remodeling stores on schedule and on budget, as well as the revised near-term new store growth strategy as reflected in the Restructuring Plan; financial and operating impacts associated with our Restructuring Plan; inflation and other changes affecting the market prices of the products we sell; failure to maintain our reputation and the value of our brand, including protecting our intellectual property; failure to remediate our material weakness in our internal control over financial reporting; inability to maintain sufficient levels of cash flow from our operations to fund our growth strategy; risks associated with leasing substantial amounts of space; inability to attract, train and retain highly qualified employees or the loss of executive officers or other key personnel; costs and successful implementation of marketing, advertising and promotions; natural or man-made disasters, climate change, power outages, major health epidemics, pandemic outbreaks, terrorist acts, global political events or other serious catastrophic events and the concentration of our business operations; unexpected costs and negative effects if we incur losses not covered by our insurance program; difficulties associated with labor relations and shortages; failure to participate effectively in the growing online retail marketplace; failure to properly integrate or achieve the expected benefits of any acquired businesses; risks associated with economic conditions; competition in the retail food industry; movement of consumer trends toward private labels and away from name-brand products; risks associated with deploying the Company's own private label brands; inability to attract and retain qualified independent operators of the Company ("IOs"); failure of the IOs to successfully manage their business; failure of the IOs to repay notes outstanding to the Company; inability of the IOs to avoid excess inventory shrink; any loss or changeover of an IO; legal proceedings initiated against the IOs; legal challenges to the IO/independent contractor business model; failure to maintain positive relationships with the IOs; risks associated with actions the IOs could take that could harm the Company's business; material disruption to information technology systems, including risks associated from our technology initiatives or third-party security breaches or other disruptions; risks associated with products the Company and its IOs sell; risks associated with laws and regulations generally applicable to retailers; legal or regulatory proceedings; the Company's substantial indebtedness could affect its ability to operate its business, react to changes in the economy or industry or pay debts and meet obligations; restrictive covenants in the Company's debt agreements may restrict its ability to pursue its business strategies, and failure to comply with any of these restrictions could result in acceleration of the Company's debt; risks associated with tax matters; changes in accounting standards and subjective assumptions, estimates and judgments by management related to complex accounting matters; and the other factors discussed under "Risk Factors" in the Company's most recent annual report on Form 10-K and in other subsequent reports the Company files with the United States Securities and Exchange Commission (the "SEC").

The Company's periodic filings are accessible on the SEC's website at www.sec.gov. Moreover, the Company operates in a very competitive and rapidly changing environment, and new risks emerge from time to time. Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, and the Company’s expectations based on third-party information and projections are from sources that management believes to be reputable, the Company cannot guarantee that future results, levels of activity, performance or achievements. These forward-looking statements are made as of the date of this presentation or as of the date specified herein and the Company has based these forward-looking statements on current expectations and projections about future events and trends. Except as required by law, the Company does not undertake any duty to update any of these forward-looking statements after the date of this presentation or to conform these statements to actual results or revised expectations.

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Industry Information

Market data and industry information used throughout this presentation are based on management's knowledge of the industry and the good faith estimates of management. The Company also relied, to the extent available, upon management's review of independent industry surveys and publications and other publicly available information prepared by a number of third-party sources. All of the market data and industry information used in this presentation involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. Although the Company believes that these sources are reliable, it cannot guarantee the accuracy or completeness of this information, and the Company has not independently verified this information. While the Company believes the estimated market position, market opportunity and market size information included in this presentation are generally reliable, such information, which is derived in part from management's estimates and beliefs, is inherently uncertain and imprecise. Projections, assumptions and estimates of the Company's future performance and the future performance of the industry in which the Company operates are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described above. These and other factors could cause results to differ materially from those expressed in the Company's estimates and beliefs and in the estimates prepared by independent parties..

Non-GAAP Financial Measures

In this presentation, the Company provides EBITDA, adjusted EBITDA, adjusted EBITDA margin, adjusted net income, interest coverage, net debt and net leverage as supplemental measures that are not required by, or presented in accordance with, United States ("U.S.") generally accepted accounting principles ("GAAP"). Management believes it is useful to investors and analysts to evaluate these non-GAAP measures on the same basis as management uses to evaluate the Company's operating results and liquidity. The Company uses EBITDA, adjusted EBITDA, adjusted EBITDA margin and adjusted net income as supplemental measures of operating performance to evaluate the effectiveness of its business strategies, to make budgeting decisions, to compare its performance against that of other peer companies using similar measures and, for certain measures, to evaluate performance in connection with compensation decisions. The Company uses interest coverage, net debt and net leverage as supplemental measures of its liquidity performance to monitor and evaluate the Company's overall liquidity and financial flexibility to pursue operational strategies and to evaluate its capital structure, progress towards leverage targets and ability to service its long-term debt obligations. These non-GAAP measures should not be considered in isolation or as a substitute for any operating performance or liquidity measures derived in accordance with U.S. GAAP. The presentation of these non-GAAP measures should not be construed as an inference that future results will be unaffected by the adjustments used to derive these non-GAAP financial measures. See the supplemental materials to this presentation for reconciliations to the most directly comparable GAAP financial measures. The Company has not reconciled forward-looking guidance or outlooks included in this presentation to the most directly comparable GAAP measures because this cannot be done without unreasonable effort due to the variability and low visibility with respect to taxes and non-recurring items, which are potential adjustments to future earnings. The Company expects the variability of these items to have a potentially unpredictable, and a potentially significant, impact on the Company’s future GAAP financial results.

Data in this presentation is generally as the fiscal year ended December 28, 2024, unless otherwise noted

COMPANY OVERVIEW

Grocery Outlet Is a Differentiated, High-Growth, Off-Price Retailer

DIFFERENTIATED MODEL

40%-70%

Prices Below Conventional Retailers On Our Best Deals (1)

5,000+

Ever-Changing SKUs Per Store Promote Treasure Hunt Experience

500+

Independent Operators Create Local Shopping Experience

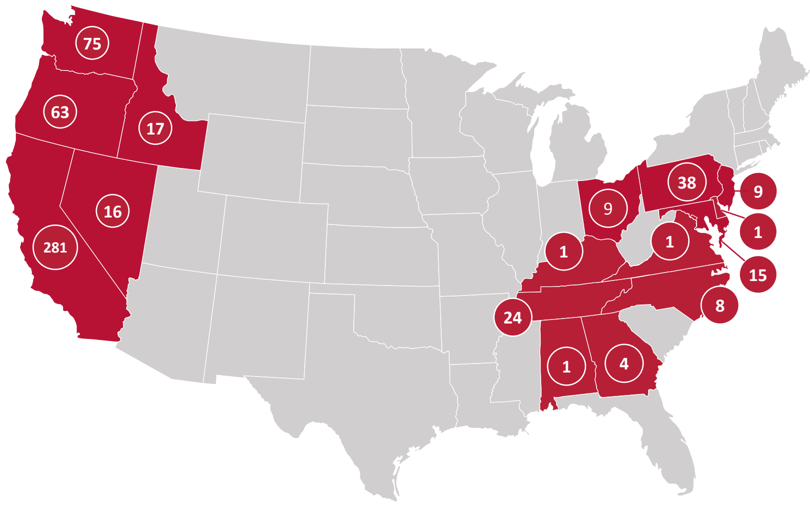
~14,000

Square Foot Average Store Size

ATTRACTIVE STORE BASE

563

Grocery Outlet Stores



Across

16

States

STRONG FINANCIAL PERFORMANCE

$4.57bn

Net Sales (2)

5.1%

Average Comparable Store Sales Growth Since Over 21 Years Ago (3)

$243.5M

Adjusted EBITDA (2), (4)

$71.0M

Adjusted Net Income (2), (4)

1.8x

Net Leverage (2), (4), (5)

(1) *Savings vs. Conventional/Discount derived from Grocery Outlet's Fiscal 2024 pricing research.*
(2) *LTM as of Q3'25.*
(3) *Fiscal year 2004 – Q3'25.*
(4) *See the Appendix to this presentation for a reconciliation of net income to adjusted EBITDA and a reconciliation of net income to adjusted net income.*
(5) *Defined as Net Debt / Adj. EBITDA.*

The WOW! Shopping Experience

PRICE

- Extreme value
  - ~40% average basket savings (1)
  - ~40% - 70% savings on best deals (1)
- Distinct and proven buying model

QUALITY

- Name-brand products
- Fresh
- Natural Organic Specialty Healthy (NOSH)
- Quality guarantee
- Clean, well-merchandised stores

SERVICE

- Primarily locally owned and operated
- Friendly, high-touch service
- Active in community
- Family-run stores
- Easy-to-shop stores

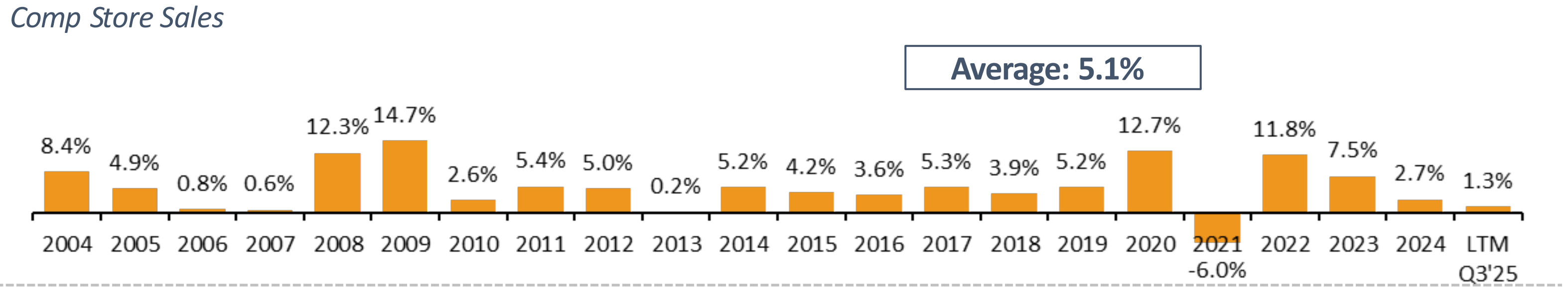
TREASURE HUNT DISCOVERY = FUN!

- Unexpected deals
- Ever-changing assortment
- Curated and localized merchandise

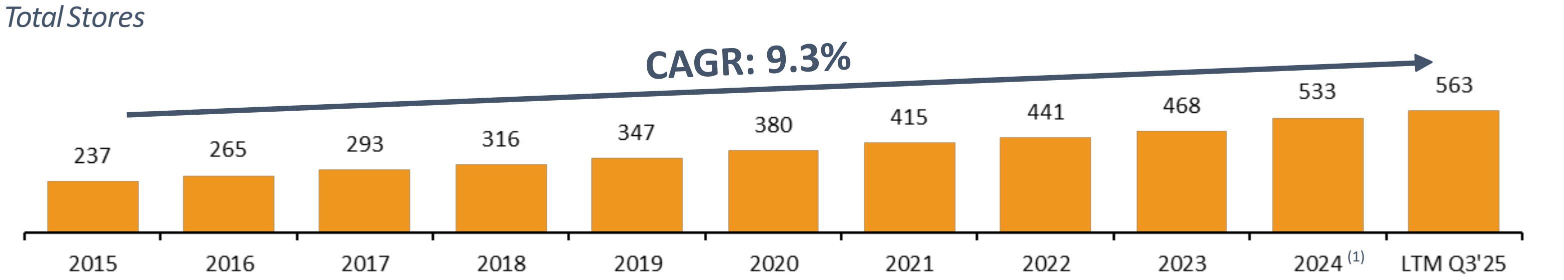
(1) Savings vs. Conventional/Discount derived from Grocery Outlet's Fiscal 2024 pricing research.

Solid Growth and Consistent Margin Performance

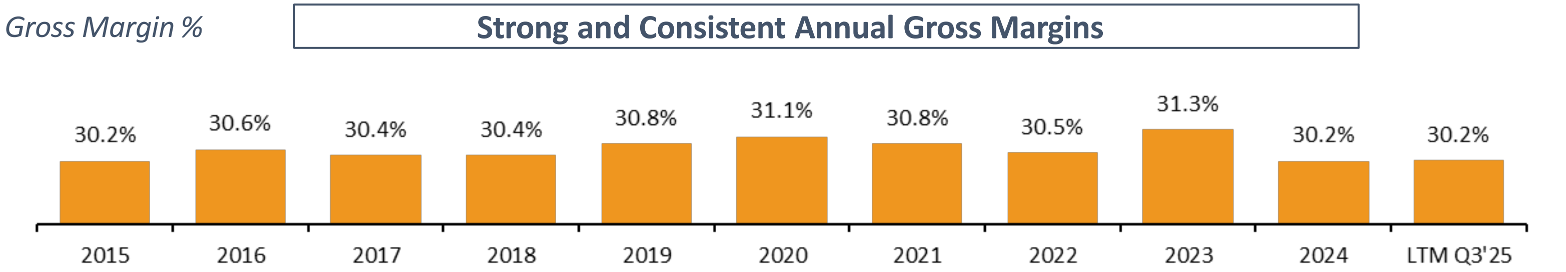
Strong Comp Performance



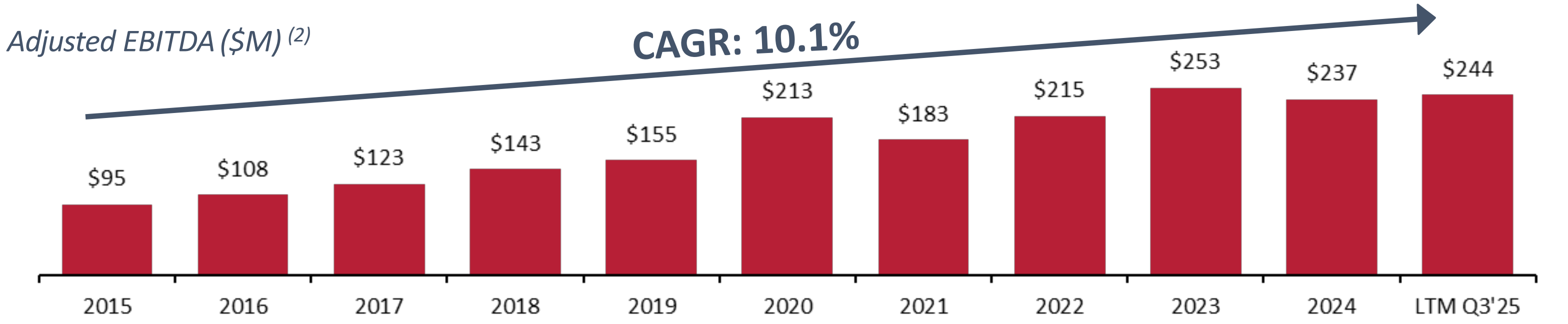
Store Growth



Consistent Margins



Track Record of Adjusted EBITDA[(2)] Growth

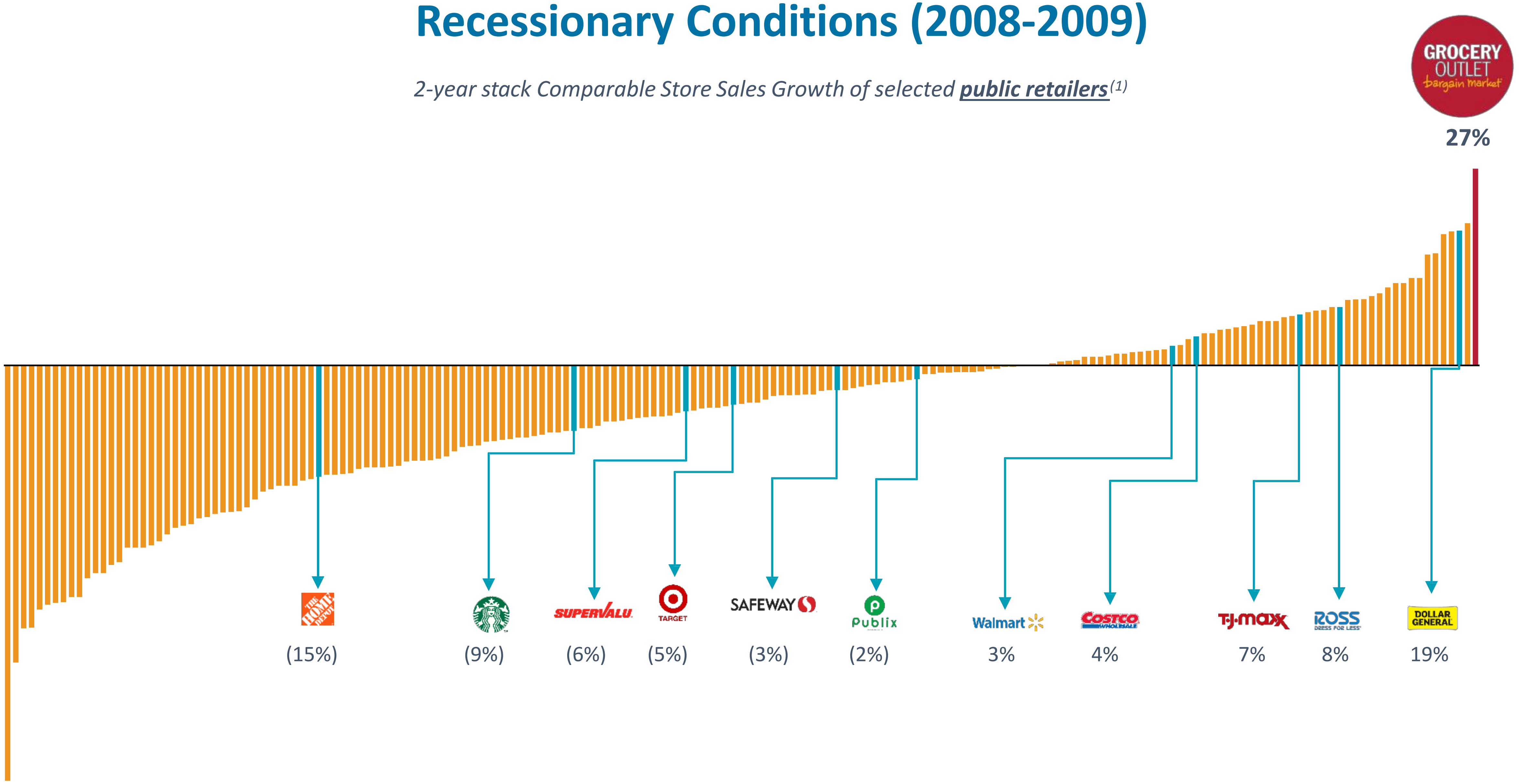


(1) Includes UGO Acquisition of 40 stores.
(2) See the Appendix to this presentation for a reconciliation of net income to adjusted EBITDA.

While Each Recession is Unique, Grocery Outlet Had Strong Comparable Store Sales Growth Performance in 2008-2009

Recessionary Conditions (2008-2009)

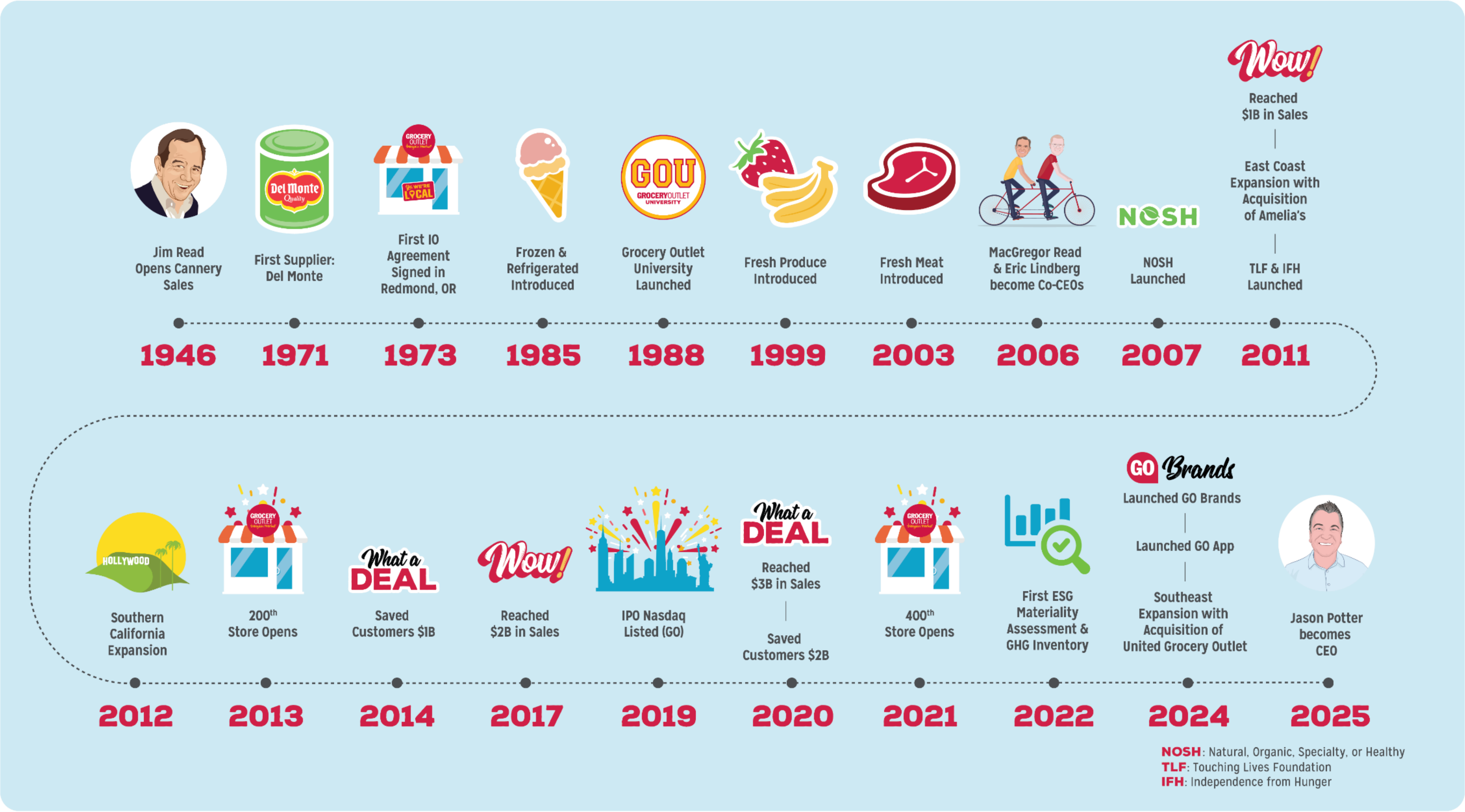
*2-year stack Comparable Store Sales Growth of selected **public retailers**(1)*



Source: Company filings, company projections, publicly available information and FactSet. n = 184

(1) Reflects 2008 and 2009 comparable store sales growth stack for all U.S. retailers that were public during 2008 and 2009 and have reported comparable store sales growth figures for these years on FactSet.

Grocery Outlet Evolution: Over 75 Years of Delivering the WOW!



NOSH: Natural, Organic, Specialty, or Healthy
TLF: Touching Lives Foundation
IFH: Independence from Hunger
GHG: Greenhouse gas

Our ESG Strategy

OUR MISSION

Touching Lives for the Better

OUR VALUES

Entrepreneurship • Achievement • Diversity • Fun
Integrity • Family • Service

IMPACT OUR COMMUNITIES

- Saving Customers Money
- Providing Affordable Quality Food
- Giving Back

IMPACT OUR PEOPLE

- Providing Opportunities for Operators
- Providing Opportunities for Employees

IMPACT OUR PLANET

- Reducing Food Waste
- Improving Operational Efficiency

Grocery Outlet's ESG strategy aligns with several of the United Nations Sustainable Development Goals (UN SDGs):

- 2 ZERO HUNGER
- 8 DECENT WORK AND ECONOMIC GROWTH
- 10 REDUCED INEQUALITIES
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
- 13 CLIMATE ACTION

GROCERY OUTLET bargain market
INDEPENDENCE FROM HUNGER

OVER $5 MILLION RAISED

The equivalent of about 10 million meals benefiting over 500 local organizations in 2025.

GROCERY OUTLET bargain market

INVESTMENT HIGHLIGHTS & GROWTH STRATEGIES

GROCERY OUTLET bargain market®

Investment Highlights & Growth Strategies

Investment Highlights

Powerful customer value proposition supported by a "WOW!" experience

Flexible sourcing and distribution model that is difficult to replicate

Independent Operators: Our "small business at scale" model

Strong consumer engagement and alignment with macro trends

Attractive and consistent new store economics support whitespace

Growth Strategies

Be the First Choice for Bargain-Minded Customers Across the Country

Strengthen our core business model

Evolve our business

Expand our footprint

Key Strategic Initiatives

TACKLING NEW STORE PERFORMANCE

Increasing Focus on Core Markets

Improving Merchandising

Enhancing IO Support

Optimizing Store Footprint

Implementing Disciplined Underwriting Standards

SECURING TOP TALENT

Matt Delly
Chief Merchandising Officer

More than 20 years of experience spanning merchandising, supply chain, assortment planning and product development

Frank Kerr
Chief Store Operations Officer

Over a decade of leadership experience in grocery retail with a proven track record of driving growth, efficiency, and profitability across large store fleets

ADDRESSING EXECUTION GAPS

Completing Systems Upgrade

Unlocking Opportunistic Merchandise Access

Driving Supply Chain Efficiencies

Delivering Value with Known Value Items

EXECUTING AT SCALE

Rolling Out New Layouts, Signage and Storytelling

Expanding Merchandising and Ordering Tools

Supporting IOs with Data, Training and Programs

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Our Fundamentally Different Approach To Buying and Selling

Small Business at Scale

HOW WE BUY

- Opportunistic sourcing of quality, name-brand consumables and fresh products
- Large, centralized purchasing team
  - Long-standing, actively managed supplier relationships
- Proactive sourcing of on-trend products and brands
- Everyday core staples to complement our WOW! offerings

HOW WE SELL

- Primarily independently operated, local, small-box stores
  - Personalized customer service
  - High community involvement
- IOs control store operations and oversee:
  - Product selection
  - Hiring, training and managing their store workers
  - Local marketing

"Out Chain the Locals, Out Local the Chains"

GROCERY OUTLET bargain market

Flexible Sourcing and Distribution Model Anchored by Purchasing Team and Relationships

Long-Standing Suppliers…

…And New Emerging Suppliers

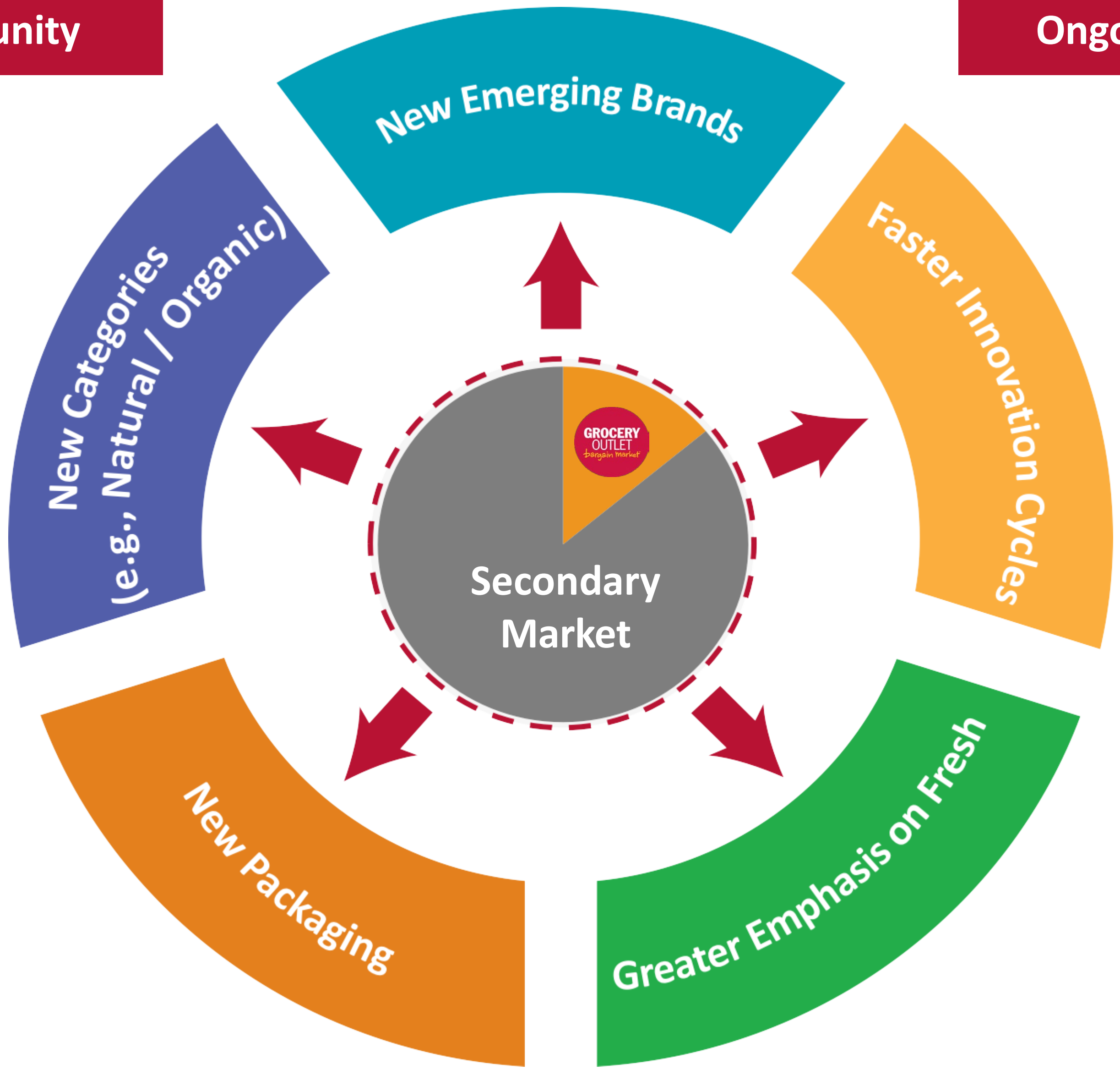
…Who Make Us One of Their First Calls

- RELATIONSHIP
- BRAND PROTECTION
- EXECUTION
- SCALE

Substantial Opportunity to Further Grow Opportunistic Supply

Significant Share Gain Opportunity

Ongoing Secondary Market Growth



Grocery Outlet's Differentiated Sourcing Model Delivers Great Value To Customers

Two Primary Methods

Opportunistic

- Opportunistic purchases represent **CPG excess inventory**
- GO is a **preferred CPG partner** for a non-disruptive, brand-protected sales channel
- Allows GO to **pass along significant savings to customers** while making a healthy margin

Everyday Core Staples

- When **staples, such as milk or sugar**, cannot be sourced opportunistically, GO buys from traditional suppliers
- Provides customer convenience via **a more complete product assortment**
- Products priced **at or below conventional supermarkets'** and discount competitors' everyday prices

Favorable Value Proposition vs. Other Retailers

Basket Savings

% Savings Across Store Relative to Competitors[1]

AND WE PROVIDE **EXTREME VALUE!**

AND IN AN **EASY-TO-SHOP STORE!**

Further Differentiation

CLUB STORES	BUT WITH **NO MEMBERSHIP FEE OR BULK SIZES!**
DEEP DISCOUNTERS	BUT OFFERS LEADING **NATIONAL BRANDS!**
DOLLAR STORES	ACROSS A **FULL GROCERY ASSORTMENT!**
ONLINE	BUT WITH **FRIENDLY, HIGH-TOUCH SERVICE!**

(1) *Savings vs. Conventional/Discount derived from Grocery Outlet's Fiscal 2024 pricing research.*

Unique Independent Operator Model Fuels Success

"Out Chain the Locals, Out Local the Chains"

GROCERY OUTLET

Operational

- Sourcing
- Initial pricing
- Recruiting and training IOs
- Real estate
- Distribution and logistics

Financial

- Own inventory (consigned to IOs)
- Regional marketing
- Rent
- CapEx
- Corporate SG&A

Grocery Outlet Benefits

- Aligned economic interests
- Reduced fixed costs
- Locally driven loyalty

IO Benefits

- Autonomy
- Scale benefits
- Significant income opportunity

INDEPENDENT OPERATORS

Operational

- Merchandising
- Managing inventory
- Modify pricing
- Hiring and training store employees
- Community and customer service

Financial

- Wages
- Local marketing
- Store operating expenses
- Operating working capital
- Operating assets

Collaboration with and among IOs enables real-time feedback and best-practice sharing for continual improvement

Compelling Store Economics For Both Grocery Outlet & Independent Operators

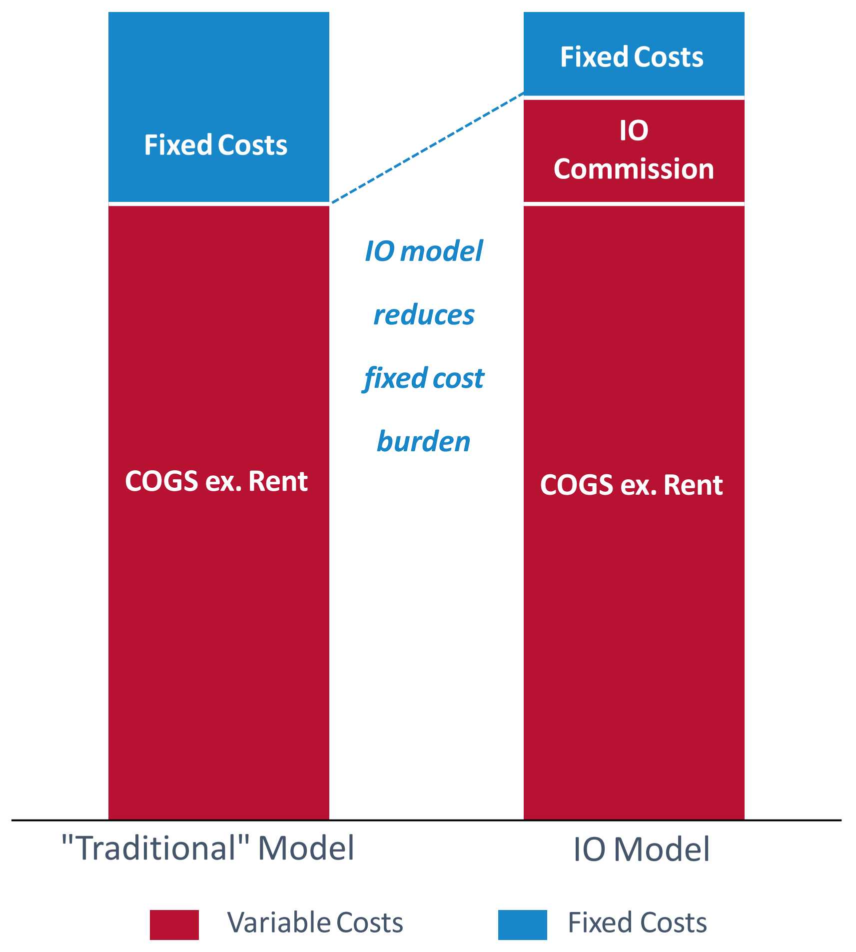
	GO	IO
CapEx Buildout	✓	✗
Inventory/Pre-Opening	✓	✗
IO Assets/Working Capital	✗	✓

Illustrative Year-4 P&L

Sales	**$7 mil**	
Gross Profit	$2 mil	
Share of Gross Profit	**50%**	**50%**
Wages, Taxes, Benefits	✗	✓
Occupancy	✓	✗

IO Model Reduces GO’s Fixed Cost Burden

Illustrative Expense Split



Selective Independent Operator Recruiting And Rigorous Training

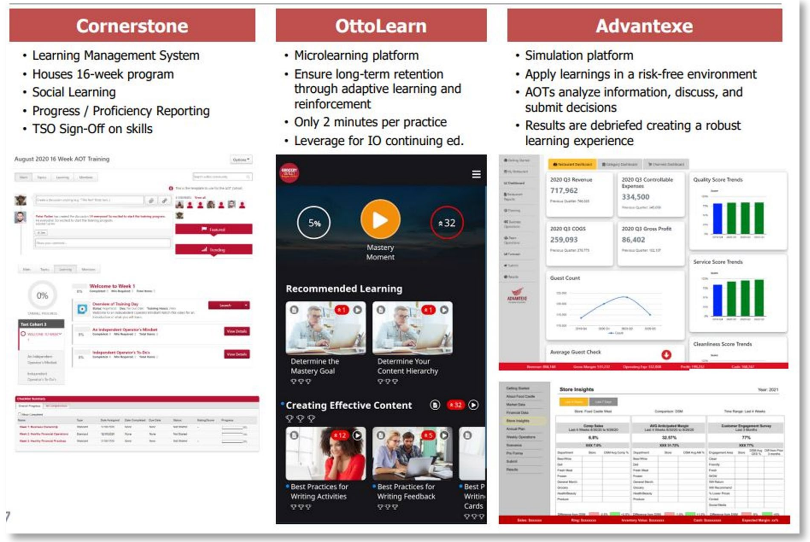
Annual Leads: ~50,000

First Contact: Phone Screen & Initial Review

Considered: Rigorous Interview Process

Selected: 70+

Enter 6-9 Month Aspiring Operator in Training Program



Centralized Marketing Coupled With Local IO Marketing Efforts

ENTERPRISE MARKETING DRIVEN BY GROCERY OUTLET

SOCIAL MEDIA

facebook, X, Pinterest, Instagram, TikTok, YouTube

WEEKLY ADS

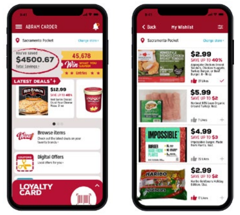
WOW! ALERTS

RADIO/CONNECTED TV

SiriusXM, Roku, Spotify, Apple tv

INFLUENCER

PERSONALIZATION



DISPLAY ADS

RADIO

TELEVISION

LOCAL MARKETING DRIVEN BY OPERATORS

IN-STORE LOCALIZATION


TARGETED PROMOTIONS


ACTIVE SOCIAL MEDIA PRESENCE


COMMUNITY INVOLVEMENT

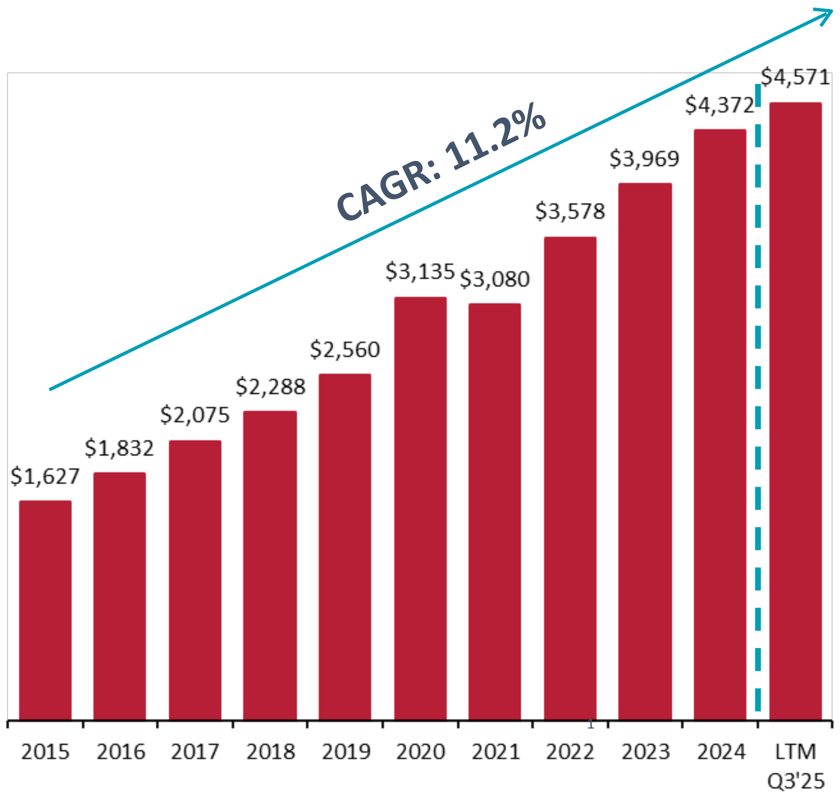
Grocery Outlet Independence From Hunger, PTA, the Y, Skechers Performance Los Angeles Marathon, Habitat for Humanity

FINANCIAL PERFORMANCE & OUTLOOK

GROCERY OUTLET bargain market®

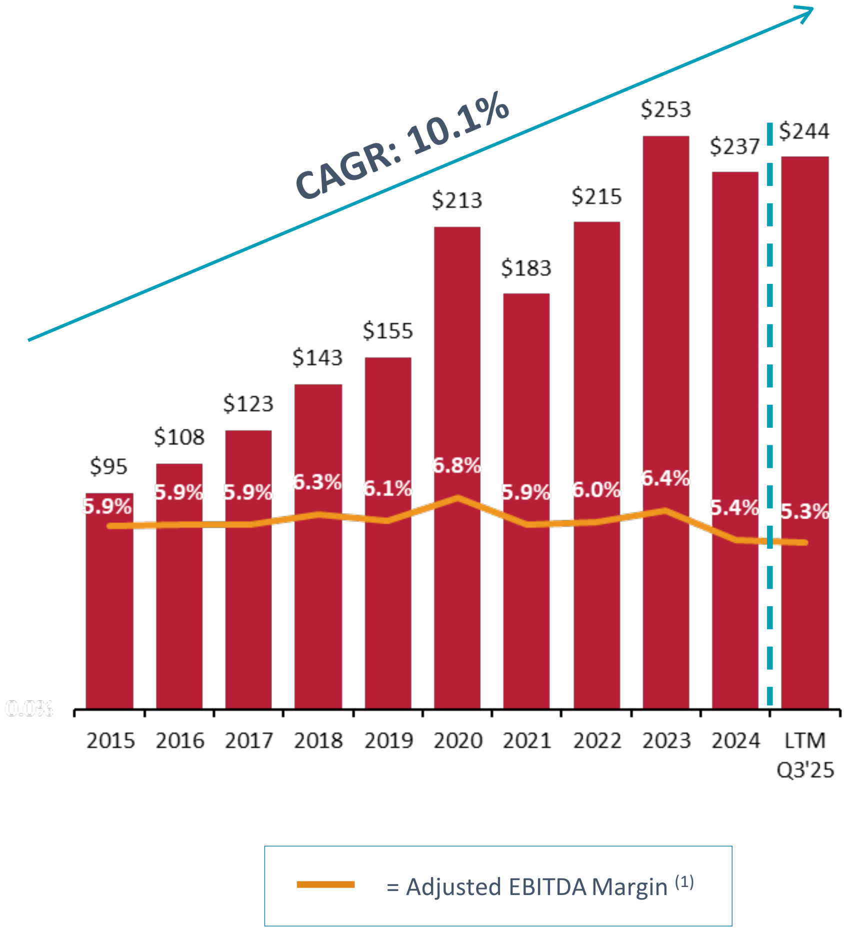
Historical Financial Performance

Strong and Disciplined Net Sales Growth



Stores	237	265	293	316	347	380	415	441	468	533	563
Unit Growth	9%	12%	11%	8%	10%	10%	9%	6%	6%	14%	6%
Comp	4.2%	3.6%	5.3%	3.9%	5.2%	12.7%	-6.0%	11.8%	7.5%	2.7%	1.3%

Track Record of Adjusted EBITDA[1] Growth

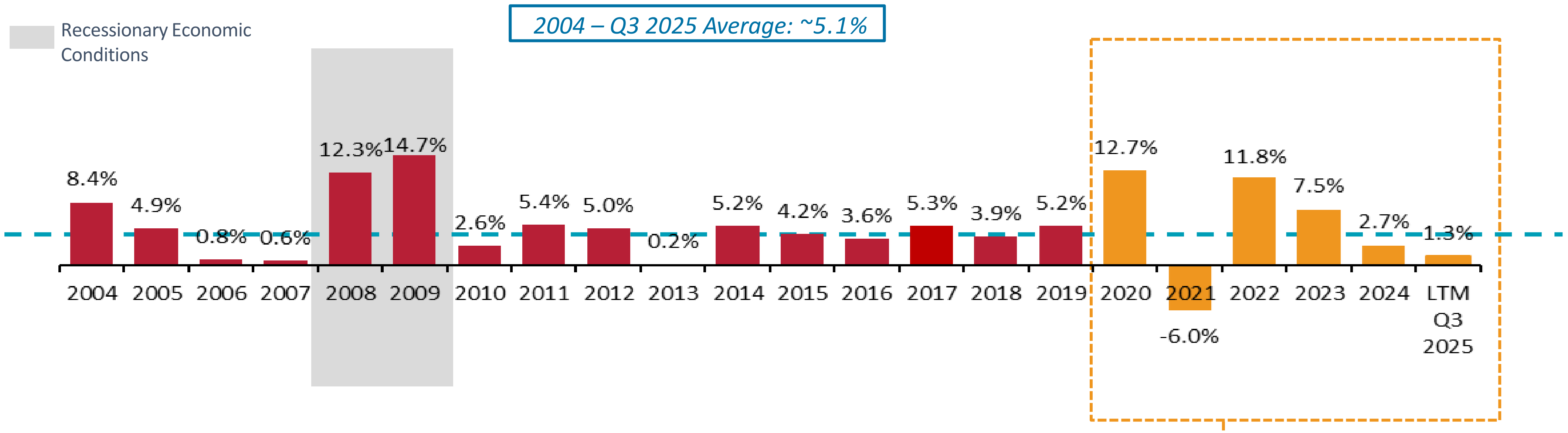


Dollars in millions.

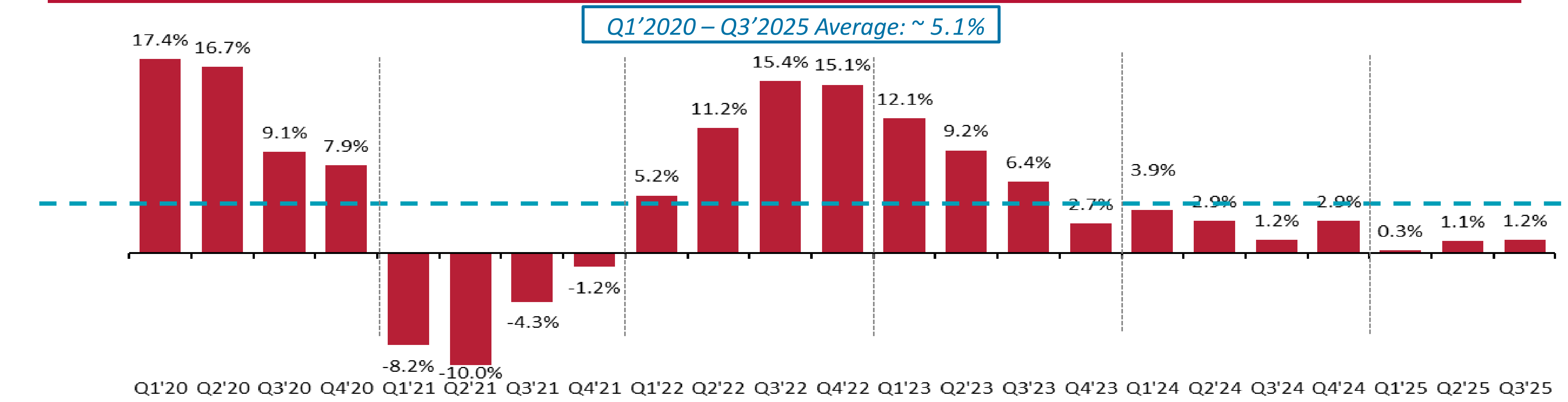
Note: Fiscal 2020 was a 53-week year. The extra week contributed $53.3 million in sales in fiscal 2020.

(1) See the Appendix to this presentation for a reconciliation of net income to adjusted EBITDA.

Long History of Comparable Store Sales Performance Across Cycles



Q1 2020 – Q3 2025 Quarterly Comparable Store Sales Results



Q3 2025 Highlights & Fiscal 2025 Outlook

	Thirteen Weeks Ended September 27, 2025	*Y-o-Y Change*
Stores	563	6.4%
Comparable Store Sales Growth	+1.2%	+2.4% (2) 2-Year Stack
Net Sales	$1.17B	5.4%
Adj. EBITDA(1)	$66.7M	-7.7%
Adj. Net Income(1)	$20.7M	-25.7%

(1) *See the Appendix to this presentation for a reconciliation of net income to adjusted EBITDA and a reconciliation of net income to adjusted net income.*
(2) *Represents 2-year stacked comparable store sales growth, which is the sum of the increase in comparable store sales, as reported, in the fourth quarters of fiscal 2024 and 2023.*
(3) *Includes 53rd week.*
(4) *Excludes net sales in the non-comparable week of a 53-week year from the same store sales calculation and compares the current and prior year weekly periods that are most closely aligned.*

Q3 Highlights

- Opened 13 new stores with two store closures, ending the quarter with 563 stores in 16 states
- Comp store sales increased 1.2% on top of 1.2% last year
- Adjusted EBITDA(1) decreased 7.7% to $66.7M
- Adjusted net income(1) decreased 25.7% to $20.7M

Fiscal 2025 Outlook(3)

- Expect to open 37 net new stores
- Net sales of $4.70B to $4.72B
- Comp store sales of +0.6% to +0.9% (4)
- Adjusted EBITDA(1) of $258M to $262M
- Adjusted earnings per diluted share(1) of $0.78 to $0.80

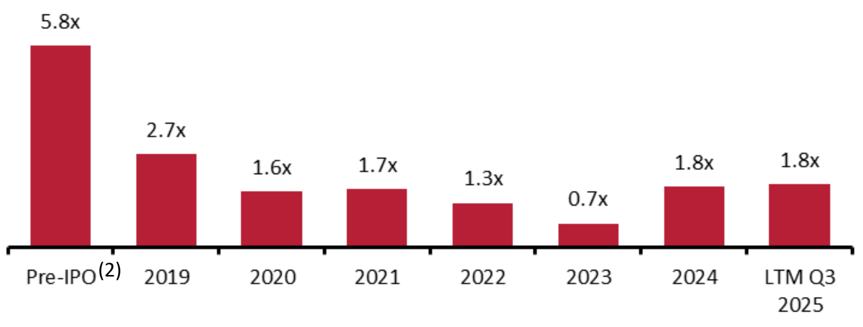
Healthy Balance Sheet with Strong Liquidity

- Reduced net leverage (1) from 5.8x pre-IPO (2) to 1.8x as of Q3'2025.
- $175M remaining borrowing capacity under revolving credit facility at end of Q3'2025.

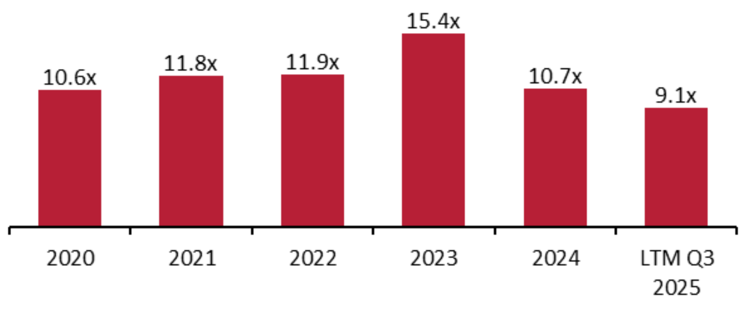
Capitalization ($ in millions)

	FY23	FY24	LTM Q3 2025
Cash & Cash Equivalents	$115.0	$62.8	$52.1
Total Debt (3)	**$292.7**	**$477.5**	**$500.3**
Net Debt (4)	**$177.7**	**$414.7**	**$448.2**
Adj. EBITDA (5)	**$252.6**	**$236.8**	**$243.5**
Net Debt / Adj. EBITDA (4), (5)	**0.7x**	**1.8x**	**1.8x**

Net Leverage (1)



Interest Coverage (6)



(1) *Defined as Net Debt / Adj. EBITDA.*
(2) *Reflects fiscal 2018. IPO in June 2019.*
(3) *Defined as long-term debt, net of unamortized debt discounts and debt issuance costs.*
(4) *Defined as Total Debt, less Cash & Cash Equivalents. See the Appendix to this presentation for a reconciliation of total debt to net debt.*
(5) *See the Appendix of this presentation for a reconciliation of net income to adjusted EBITDA.*
(6) *Defined as Adj. EBITDA / Net Interest Expense. Net interest expense net of capitalized interest.*

APPENDIX

GROCERY OUTLET
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Quarterly Adjusted EBITDA Reconciliation

	Q3 2020	Q3 2021	Q3 2022	Q3 2023	Q3 2024	Q3 2025
Net Income	**$40.5**	**$17.1**	**$17.5**	**$27.1**	**$24.2**	**$11.6**
Interest expense, net	4.9	4.0	4.8	4.2	6.4	6.7
Income tax expense (benefit)	(15.0)	5.1	2.4	6.2	9.7	4.5
Depreciation and amortization expenses	14.8	18.2	20.2	21.9	27.8	33.4
EBITDA	**$45.2**	**$44.4**	**$44.8**	**$59.4**	**$68.1**	**$56.2**
Share-based compensation expense (benefit) (1)	3.9	1.9	9.1	7.5	1.7	(0.0)
Asset impairment and gain or loss on disposition (2)	0.2	0.2	0.3	0.1	0.2	1.0
Acquisition and integration costs (3)	-	-	-	-	0.8	0.6
Restructuring charges (4)	-	-	-	-	-	1.3
Other (5)	2.6	1.3	2.5	1.0	1.5	7.6
Adjusted EBITDA	**$51.8**	**$47.8**	**$56.8**	**$68.1**	**$72.3**	**$66.7**
Adjusted EBITDA margin (6)	**6.8%**	**6.2%**	**6.2%**	**6.8%**	**6.5%**	**5.7%**
Interest coverage (7)	**10.6x**	**12.1x**	**11.8x**	**16.1x**	**11.2x**	**9.9x**

Note: Dollars in millions. Amounts may not sum to totals due to rounding.

(1) Includes non-cash share-based compensation expense and cash dividends paid on vested share-based awards as a result of dividends declared in connection with recapitalizations that occurred in fiscal 2018 and fiscal 2016.

(2) Represents non-restructuring asset impairment charges and gains or losses on dispositions of assets.

(3) Represents costs related to the acquisition and integration of United Grocery Outlet, including due diligence, legal, other consulting and retention bonus expenses.

(4) Represents charges related to the Restructuring Plan, which include lease termination costs, non-cash impairment and disposal of long-lived assets, employee severance and benefit costs and legal, professional and other costs.

(5) Represents other non-recurring, non-cash or non-operational items, such as certain personnel-related hiring and termination costs, system implementation costs, strategic project costs, store closing costs, costs related to employer payroll taxes associated with equity awards, legal settlements and other legal expenses and miscellaneous costs.

(6) Adjusted EBITDA margin represents adjusted EBITDA divided by net sales.

(7) Defined as adjusted EBITDA divided by net interest expense.

Quarterly Adjusted Net Income Reconciliation

	Q3 2020	Q3 2021	Q3 2022	Q3 2023	Q3 2024	Q3 2025
Net Income	**$40.5**	**$17.1**	**$17.5**	**$27.1**	**$24.2**	**$11.6**
Share-based compensation expense (benefit) [(1)]	3.9	1.9	9.1	7.5	1.7	(0.0)
Asset impairment and gain or loss on disposition [(2)]	0.2	0.2	0.3	0.1	0.2	1.0
Acquisition and integration costs [(3)]	-	-	-	-	0.8	0.6
Amortization of purchase accounting assets and deferred financing costs [(4)]	2.9	2.9	3.0	1.4	1.4	1.3
Restructuring charges [(5)]	-	-	-	-	-	1.3
Other [(6)]	2.6	1.3	2.5	1.0	1.5	7.6
Tax adjustment to normalize effective tax rate [(7)]	(21.9)	(0.9)	(3.2)	(3.4)	(0.6)	(0.6)
Tax effect of total adjustments [(8)]	(2.7)	(1.8)	(4.2)	(2.9)	(1.3)	(2.0)
Adjusted Net Income	**$25.5**	**$20.8**	**$25.1**	**$31.0**	**$27.9**	**$20.7**

Note: Dollars in millions. Amounts may not sum to totals due to rounding.

(1) Includes non-cash share-based compensation expense and cash dividends paid on vested share-based awards as a result of dividends declared in connection with recapitalizations that occurred in fiscal 2018 and fiscal 2016.

(2) Represents non-restructuring asset impairment charges and gains or losses on dispositions of assets.

(3) Represents costs related to the acquisition and integration of United Grocery Outlet, including due diligence, legal, other consulting and retention bonus expenses.

(4) Represents the incremental amortization of an asset step-up resulting from purchase price accounting related to our acquisition in 2014 by an investment fund affiliated with Hellman & Friedman LLC, as well as the amortization of debt issuance costs.

(5) Represents charges related to the Restructuring Plan, which include lease termination costs, non-cash impairment and disposal of long-lived assets, employee severance and benefit costs and legal, professional and other costs.

(6) Represents other non-recurring, non-cash or non-operational items, such as certain personnel-related hiring and termination costs, system implementation costs, strategic project costs, store closing costs, costs related to employer payroll taxes associated with equity awards, legal settlements and other legal expenses and miscellaneous costs.

(7) Represents adjustments to normalize the effective tax rate for the impact of unusual or infrequent tax items that we do not consider in our evaluation of ongoing performance, including excess tax benefits or shortfalls related to stock option exercises and vesting of time-based restricted stock units and performance-based restricted stock units that are recorded in earnings as discrete items in the reporting period in which they occur.

(8) Represents the tax effect of the total adjustments. We calculate the tax effect of the total adjustments on a discrete basis excluding any non-recurring and unusual tax items.

Adjusted EBITDA Reconciliation

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Q3 2025 LTM	*Location on P&L*
Net Income (loss)	**$4.8**	**$10.2**	**$20.6**	**$15.9**	**$15.4**	**$106.7**	**$62.3**	**$65.1**	**$79.4**	**$39.5**	**($4.4)**	
Interest expense, net	45.9	47.1	49.7	55.4	45.9	20.0	15.6	18.0	16.4	22.2	26.8	Interest Expense
Income tax expense (benefit)	3.5	6.7	5.2	6.0	1.4	(19.6)	15.2	10.7	24.6	16.7	2.2	Income Tax
Depreciation and amortization expenses	31.2	37.2	43.2	47.1	50.1	58.1	71.1	78.3	88.0	108.2	123.6	COGS/SG&A
EBITDA	**$85.4**	**$101.2**	**$118.6**	**$124.3**	**$112.9**	**$165.2**	**$164.2**	**$172.0**	**$208.4**	**$186.5**	**$148.0**	
Share-based compensation expense [(1)]	0.2	2.9	1.7	10.4	31.4	38.1	17.6	32.6	31.1	10.5	1.1	SG&A
Loss on debt extinguishment and modification [(2)]	5.5	-	1.5	5.3	5.6	0.2	-	1.3	5.3	-	-	Loss on debt extinguishment and modification
Asset impairment and gain or loss on disposition [(3)]	0.9	0.5	0.5	1.3	2.0	1.7	1.2	1.2	0.5	1.0	5.1	SG&A
Acquisition and integration costs [(4)]	-	-	-	-	-	-	-	-	0.5	8.6	1.3	SG&A
Amortization of purchase accounting assets [(5)]	-	-	-	-	-	-	-	-	-	0.8	-	COGS
Restructuring charges [(6)]	-	-	-	-	-	-	-	-	-	15.9	62.2	Restructuring Charges
Other [(7)]	3.5	3.7	0.8	2.1	3.3	7.5	(0.2)	7.7	6.8	13.3	25.8	SG&A/Other Expense (Income)
Adjusted EBITDA	**$95.4**	**$108.4**	**$123.1**	**$143.4**	**$155.2**	**$212.7**	**$182.9**	**$214.7**	**$252.6**	**$236.8**	**$243.5**	
Adjusted EBITDA margin [(8)]	**5.9%**	**5.9%**	**5.9%**	**6.3%**	**6.1%**	**6.8%**	**5.9%**	**6.0%**	**6.4%**	**5.4%**	**5.3%**	
Interest coverage [(9)]	**2.1x**	**2.3x**	**2.5x**	**2.6x**	**3.4x**	**10.6x**	**11.8x**	**11.9x**	**15.4x**	**10.7x**	**9.1x**	

Note: Dollars in millions. Amounts may not sum to totals due to rounding.

(1) Includes non-cash share-based compensation expense and cash dividends paid on vested share-based awards as a result of dividends declared in connection with recapitalizations that occurred in fiscal 2018 and fiscal 2016.

(2) Represents the write-off of debt issuance costs and debt discounts as well as debt modification costs related to refinancing and/or repayment of our credit facilities.

(3) Represents non-restructuring asset impairment charges and gains or losses on dispositions of assets.

(4) Represents costs related to the acquisition and integration of United Grocery Outlet, including due diligence, legal, other consulting and retention bonus expenses.

(5) Represents the incremental amortization of inventory step-ups resulting from purchase price accounting related to the acquisition of United Grocery Outlet.

(6) Represents charges related to the Restructuring Plan, which include lease termination costs, non-cash impairment and disposal of long-lived assets, employee severance and benefit costs and legal, professional and other costs.

(7) Represents other non-recurring, non-cash or non-operational items, such as certain personnel-related hiring and termination costs, system implementation costs, strategic project costs, store closing costs, costs related to employer payroll taxes associated with equity awards, legal settlements and other legal expenses and miscellaneous costs.

(8) Adjusted EBITDA margin represents adjusted EBITDA divided by net sales.

(9) Defined as adjusted EBITDA divided by net interest expense.

Adjusted Net Income Reconciliation

	2019	2020	2021	2022	2023	2024	Q3 2025 LTM
Net Income (Loss)	**$15.4**	**$106.7**	**$62.3**	**$65.1**	**$79.4**	**$39.5**	**($4.4)**
Share-based compensation expense (1)	31.4	38.1	17.6	32.6	31.1	10.5	1.1
Loss on debt extinguishment and modification (2)	5.6	0.2	0.0	1.3	5.3	-	-
Asset impairment and gain or loss on disposition (3)	2.0	1.7	1.2	1.2	0.5	1.0	5.1
Acquisition and integration costs (4)	-	-	-	-	0.5	8.6	1.3
Amortization of purchase accounting assets and deferred financing costs (5)	11.9	11.8	11.8	10.9	5.8	6.3	5.2
Restructuring charges (6)	-	-	-	-	-	15.9	62.2
Other (7)	3.3	7.5	(0.2)	7.7	6.8	13.3	25.8
Tax adjustment to normalize effective tax rate (8)	(3.6)	(44.1)	(5.9)	(10.1)	(6.4)	(1.2)	2.9
Tax effect of total adjustments (9)	(15.2)	(16.6)	(8.3)	(14.7)	(14.9)	(17.7)	(28.2)
Adjusted Net Income	**$50.8**	**$105.3**	**$78.6**	**$93.9**	**$108.1**	**$76.3**	**$71.0**

Note: Dollars in millions. Amounts may not sum to totals due to rounding.

(1) Includes non-cash share-based compensation expense and cash dividends paid on vested share-based awards as a result of dividends declared in connection with recapitalizations that occurred in fiscal 2018 and fiscal 2016.

(2) Represents the write-off of debt issuance costs and debt discounts as well as debt modification costs related to refinancing and/or repayment of our credit facilities.

(3) Represents non-restructuring asset impairment charges and gains or losses on dispositions of assets.

(4) Represents costs related to the acquisition and integration of United Grocery Outlet, including due diligence, legal, other consulting and retention bonus expenses.

(5) Represents the incremental amortization of an asset step-up resulting from purchase price accounting related to our acquisition in 2014 by an investment fund affiliated with Hellman & Friedman LLC, as well as the amortization of debt issuance costs.

(6) Represents charges related to the Restructuring Plan, which include lease termination costs, non-cash impairment and disposal of long-lived assets, employee severance and benefit costs and legal, professional and other costs.

(7) Represents other non-recurring, non-cash or non-operational items, such as certain personnel-related hiring and termination costs, system implementation costs, strategic project costs, store closing costs, costs related to employer payroll taxes associated with equity awards, legal settlements and other legal expenses and miscellaneous costs.

(8) Represents adjustments to normalize the effective tax rate for the impact of unusual or infrequent tax items that we do not consider in its evaluation of ongoing performance, including excess tax benefits or shortfalls related to stock option exercises and vesting of time-based restricted stock units and performance-based restricted stock units that are recorded in earnings as discrete items in the reporting period in which they occur.

(9) Represents the tax effect of the total adjustments. We calculate the tax effect of the total adjustments on a discrete basis excluding any non-recurring and unusual tax items.

Net Debt and Net Leverage Reconciliation

	2018	2019	2020	2021	2022	2023	2024	Q1 2025	Q2 2025	Q3 2025
Total Debt (1)	**$857.4**	**$448.0**	**$449.2**	**$451.5**	**$379.7**	**$292.7**	**$477.5**	**$475.7**	**$474.0**	**$500.3**
Less: cash and cash equivalents	$21.1	$28.1	$105.3	$140.1	$102.7	$115.0	$62.8	$50.9	$55.2	$52.1
Net Debt (2)	**$836.3**	**$419.9**	**$343.9**	**$311.4**	**$276.9**	**$177.7**	**$414.7**	**$424.8**	**$418.8**	**$448.2**
Adjusted EBITDA	**$143.4**	**$155.2**	**$212.7**	**$182.9**	**$214.7**	**$252.6**	**$236.8**	**$249.3**	**$249.1**	**$243.5**
Net Leverage (3)	**5.8x**	**2.7x**	**1.6x**	**1.7x**	**1.3x**	**0.7x**	**1.8x**	**1.7x**	**1.7x**	**1.8x**

Note: Dollars in millions. Amounts may not sum to totals due to rounding.

(1) Defined as long-term debt, net of unamortized debt discounts and debt issuance costs.

(2) Defined as Total Debt, less cash & cash equivalents.

(3) Defined as Net Debt / Adjusted EBITDA.