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DELTA REPORT

10-Q

UNFI - UNITED NATURAL FOODS INC

10-Q - OCTOBER 28, 2023 COMPARED TO 10-Q - APRIL 29, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	2093
CHANGES	218
DELETIONS	1410
ADDITIONS	465

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended April 29, 2023 October 28, 2023

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number: 001-15723

unficoa03.jpg

UNITED NATURAL FOODS, INC.
(Exact name of registrant as specified in its charter)

Delaware	05-0376157
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

313 Iron Horse Way, Providence, RI 02908

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(401) 528-8634**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common stock, par value $0.01	UNFI	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of June 2, 2023 December 1, 2023 there were 58,600,797 59,407,969 shares of the registrant's common stock, $0.01 par value per share, outstanding.

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PART I. FINANCIAL INFORMATION
Item 1. Financial Statements

UNITED NATURAL FOODS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS (unaudited)
(in millions, except for par values)

			April 29, 2023		July 30, 2022			October 28, 2023		July 29, 2023
ASSETS	**ASSETS**					**ASSETS**				
Cash and cash equivalents	Cash and cash equivalents	$	38	$	44	Cash and cash equivalents	$	37	$	37
Accounts receivable, net	Accounts receivable, net		985		1,214	Accounts receivable, net		1,013		889
Inventories, net	Inventories, net		2,465		2,355	Inventories, net		2,648		2,292
Prepaid expenses and other current assets	Prepaid expenses and other current assets		204		184	Prepaid expenses and other current assets		259		245
Total current assets	Total current assets		3,692		3,797	Total current assets		3,957		3,463
Property and equipment, net	Property and equipment, net		1,735		1,690	Property and equipment, net		1,744		1,767
Operating lease assets	Operating lease assets		1,236		1,176	Operating lease assets		1,218		1,228
Goodwill	Goodwill		20		20	Goodwill		19		20
Intangible assets, net	Intangible assets, net		765		819	Intangible assets, net		703		722
Deferred income taxes						Deferred income taxes		32		32
Other long-term assets	Other long-term assets		193		126	Other long-term assets		175		162
Total assets	Total assets	$	7,641	$	7,628	Total assets	$	7,848	$	7,394
LIABILITIES AND STOCKHOLDERS' EQUITY	**LIABILITIES AND STOCKHOLDERS' EQUITY**					**LIABILITIES AND STOCKHOLDERS' EQUITY**				
Accounts payable	Accounts payable	$	1,837	$	1,742	Accounts payable	$	1,934	$	1,781

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Accrued expenses and other current liabilities	Accrued expenses and other current liabilities	268	260	Accrued expenses and other current liabilities	277	283
Accrued compensation and benefits	Accrued compensation and benefits	165	232	Accrued compensation and benefits	169	143
Current portion of operating lease liabilities	Current portion of operating lease liabilities	164	156	Current portion of operating lease liabilities	181	180
Current portion of long-term debt and finance lease liabilities	Current portion of long-term debt and finance lease liabilities	21	27	Current portion of long-term debt and finance lease liabilities	16	18
Total current liabilities	Total current liabilities	2,455	2,417	Total current liabilities	2,577	2,405
Long-term debt	Long-term debt	2,022	2,109	Long-term debt	2,296	1,956
Long-term operating lease liabilities	Long-term operating lease liabilities	1,122	1,067	Long-term operating lease liabilities	1,090	1,099
Long-term finance lease liabilities	Long-term finance lease liabilities	15	23	Long-term finance lease liabilities	10	12
Pension and other postretirement benefit obligations	Pension and other postretirement benefit obligations	18	18	Pension and other postretirement benefit obligations	16	16
Deferred income taxes		13	8			
Other long-term liabilities	Other long-term liabilities	154	194	Other long-term liabilities	160	162
Total liabilities	Total liabilities	5,799	5,836	Total liabilities	6,149	5,650
Commitments and contingencies	Commitments and contingencies			Commitments and contingencies		
Stockholders' equity:	**Stockholders' equity:**			**Stockholders' equity:**		
Preferred stock, $0.01 par value, authorized 5.0 shares; none issued or outstanding	Preferred stock, $0.01 par value, authorized 5.0 shares; none issued or outstanding	—	—	Preferred stock, $0.01 par value, authorized 5.0 shares; none issued or outstanding	—	—
Common stock, $0.01 par value, authorized 100.0 shares; 60.9 shares issued and 59.2 shares outstanding at April 29, 2023; 58.9 shares issued and 58.3 shares outstanding at July 30, 2022		1	1			
Common stock, $0.01 par value, authorized 100.0 shares; 61.9 shares issued and 59.4 shares outstanding at October 28, 2023; 61.0 shares issued and 58.5 shares outstanding at July 29, 2023				Common stock, $0.01 par value, authorized 100.0 shares; 61.9 shares issued and 59.4 shares outstanding at October 28, 2023; 61.0 shares issued and 58.5 shares outstanding at July 29, 2023	1	1
Additional paid-in capital	Additional paid-in capital	602	608	Additional paid-in capital	606	606
Treasury stock at cost	Treasury stock at cost	(65)	(24)	Treasury stock at cost	(86)	(86)
Accumulated other comprehensive loss	Accumulated other comprehensive loss	(15)	(20)	Accumulated other comprehensive loss	(33)	(28)
Retained earnings	Retained earnings	1,318	1,226	Retained earnings	1,211	1,250
Total United Natural Foods, Inc. stockholders' equity	Total United Natural Foods, Inc. stockholders' equity	1,841	1,791	Total United Natural Foods, Inc. stockholders' equity	1,699	1,743
Noncontrolling interests	Noncontrolling interests	1	1	Noncontrolling interests	—	1
Total stockholders' equity	Total stockholders' equity	1,842	1,792	Total stockholders' equity	1,699	1,744
Total liabilities and stockholders' equity	Total liabilities and stockholders' equity	$ 7,641	$ 7,628	Total liabilities and stockholders' equity	$ 7,848	$ 7,394

See accompanying Notes to Condensed Consolidated Financial Statements.

UNITED NATURAL FOODS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (unaudited)
(in millions, except for per share data)

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		13-Week Period Ended		39-Week Period Ended			13-Week Period Ended	
		April 29, 2023	April 30, 2022	April 29, 2023	April 30, 2022		October 28, 2023	October 29, 2022
Net sales	Net sales	$ 7,507	$ 7,242	$ 22,855	$ 21,655	Net sales	$ 7,552	$ 7,532
Cost of sales	Cost of sales	6,507	6,230	19,690	18,526	Cost of sales	6,522	6,436
Gross profit	Gross profit	1,000	1,012	3,165	3,129	Gross profit	1,030	1,096
Operating expenses	Operating expenses	967	969	2,969	2,845	Operating expenses	1,023	1,000
Restructuring, acquisition and integration related (benefits) expenses		(4)	8	1	16			
Loss (gain) on sale of assets		4	(88)	—	(87)			
Operating income		33	123	195	355			
Restructuring, acquisition and integration related expenses						Restructuring, acquisition and integration related expenses	4	2
Loss (gain) on sale of assets and other asset charges						Loss (gain) on sale of assets and other asset charges	19	(5)
Operating (loss) income						Operating (loss) income	(16)	99
Net periodic benefit income, excluding service cost	Net periodic benefit income, excluding service cost	(8)	(10)	(22)	(30)	Net periodic benefit income, excluding service cost	(3)	(7)
Interest expense, net	Interest expense, net	35	37	109	121	Interest expense, net	35	35
Other income, net	Other income, net	(1)	(1)	(2)	(2)	Other income, net	—	(1)
Income before income taxes		7	97	110	266			
(Loss) income before income taxes						(Loss) income before income taxes	(48)	72
(Benefit) provision for income taxes	(Benefit) provision for income taxes	(1)	29	13	53	(Benefit) provision for income taxes	(9)	5
Net income including noncontrolling interests		8	68	97	213			
Net (loss) income including noncontrolling interests						Net (loss) income including noncontrolling interests	(39)	67
Less net income attributable to noncontrolling interests	Less net income attributable to noncontrolling interests	(1)	(1)	(5)	(4)	Less net income attributable to noncontrolling interests	—	(1)
Net income attributable to United Natural Foods, Inc.		$ 7	$ 67	$ 92	$ 209			
Net (loss) income attributable to United Natural Foods, Inc.						Net (loss) income attributable to United Natural Foods, Inc.	$ (39)	$ 66
Basic earnings per share		$ 0.12	$ 1.15	$ 1.55	$ 3.62			
Diluted earnings per share		$ 0.12	$ 1.10	$ 1.51	$ 3.44			
Basic (loss) earnings per share						Basic (loss) earnings per share	$ (0.67)	$ 1.12

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Diluted (loss) earnings per share						Diluted (loss) earnings per share	$ (0.67)	$ 1.07
Weighted average shares outstanding:	Weighted average shares outstanding:					Weighted average shares outstanding:		
Basic	Basic	59.4	58.4	59.3	57.9	Basic	58.7	58.8
Diluted	Diluted	60.4	60.9	61.0	61.0	Diluted	58.7	61.6

See accompanying Notes to Condensed Consolidated Financial Statements.

UNITED NATURAL FOODS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME (unaudited)
(in millions)

		13-Week Period Ended		39-Week Period Ended			13-Week Period Ended				
		April 29, 2023	April 30, 2022	April 29, 2023	April 30, 2022		October 28, 2023	October 29, 2022			
Net income including noncontrolling interests		$ 8	$ 68	$ 97	$ 213						
Net (loss) income including noncontrolling interests									Net (loss) income including noncontrolling interests	$ (39)	$ 67
Other comprehensive (loss) income:	Other comprehensive (loss) income:					Other comprehensive (loss) income:					
Recognition of pension and other postretirement benefit obligations, net of tax		—	—	1	2						
Recognition of interest rate swap cash flow hedges, net of tax(1)	Recognition of interest rate swap cash flow hedges, net of tax(1)	(2)	30	12	58	Recognition of interest rate swap cash flow hedges, net of tax(1)	(3)	18			
Foreign currency translation adjustments	Foreign currency translation adjustments	(2)	(1)	(4)	(3)	Foreign currency translation adjustments	(3)	(3)			
Recognition of other cash flow derivatives, net of tax(2)	Recognition of other cash flow derivatives, net of tax(2)	(2)	2	(4)	4	Recognition of other cash flow derivatives, net of tax(2)	1	—			
Total other comprehensive (loss) income	Total other comprehensive (loss) income	(6)	31	5	61	Total other comprehensive (loss) income	(5)	15			
Less comprehensive income attributable to noncontrolling interests	Less comprehensive income attributable to noncontrolling interests	(1)	(1)	(5)	(4)	Less comprehensive income attributable to noncontrolling interests	—	(1)			
Total comprehensive income attributable to United Natural Foods, Inc.		$ 1	$ 98	$ 97	$ 270						

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Total comprehensive (loss) income attributable to United Natural Foods, Inc.	$ (44)	$ 81

(1) Amounts are net of tax (benefit) expense of $(1) million $11 million, $4 million and $21 $6 million respectively.

(2) for the Amounts are net first quarters of tax (benefit) expense of $0 million, $0 million, $(1) million fiscal 2024 and $1 million, 2023, respectively.

See accompanying Notes to Condensed Consolidated Financial Statements.

UNITED NATURAL FOODS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (unaudited)
For the 13-week periods ended April 29, 2023 October 28, 2023 and April 30, 2022 October 29, 2022
(in millions)

	Common Stock		Treasury Stock		Additional Paid-in Capital	Accumulated Other Comprehensive (Loss) Income	Retained Earnings	Total United Natural Foods, Inc. Stockholders' Equity	Noncontrolling Interests	Total Stockholders' Equity	Common Stock	
	Shares	Amount	Shares	Amount							Shares	Amount
Balances at January 28, 2023	60.9	$ 1	1.3	$ (53)	$ 592	$ (9)	$ 1,311	$ 1,842	$ 3	$ 1,845		
Balances at July 29, 2023											61.0	$ 1
Restricted stock vestings											0.9	—
Share-based compensation											—	—
Other comprehensive loss											—	—
Distributions to noncontrolling interests											—	—
Net loss											—	—
Balances at October 28, 2023											61.9	$ 1
Balances at July 30, 2022											58.9	$ 1
Restricted stock vestings											2.0	—
Share-based compensation	—	—	—	—	10	—	—	10	—	10	—	—
Repurchases of common stock	—	—	0.4	(12)	—	—	—	(12)	—	(12)	—	—
Other comprehensive loss	—	—	—	—	—	(6)	—	(6)	—	(6)		
Other comprehensive income											—	—
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	(3)	(3)	—	—
Net income	—	—	—	—	—	—	7	7	1	8	—	—

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	Shares	Amount	Shares	Amount	Additional Paid-in Capital	Accumulated Other Comprehensive (Loss) Income	Retained Earnings	Total United Natural Foods, Inc. Stockholders' Equity	Noncontrolling Interests	Total Stockholders' Equity
Balances at April 29, 2023	60.9	$ 1	1.7	$ (65)	$ 602	$ (15)	$ 1,318	$ 1,841	$ 1	$ 1,842
Balances at January 29, 2022	58.8	$ 1	0.6	$ (24)	$ 596	$ (9)	$ 1,120	$ 1,684	$ (1)	$ 1,683
Restricted stock vestings	0.2	—	—	—	(7)	—	—	(7)	—	(7)
Share-based compensation	—	—	—	—	10	—	—	10	—	10
Other comprehensive income	—	—	—	—	—	31	—	31	—	31
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	(1)	(1)
Net income	—	—	—	—	—	—	67	67	1	68
Balances at April 30, 2022	59.0	$ 1	0.6	$ (24)	$ 599	$ 22	$ 1,187	$ 1,785	$ (1)	$ 1,784
Balances at October 29, 2022 **Balances at October 29, 2022**	60.9	$ 1								

See accompanying Notes to Condensed Consolidated Financial Statements.

UNITED NATURAL FOODS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (unaudited)
For the 39-week periods ended April 29, 2023 and April 30, 2022
(in millions)

	Common Stock		Treasury Stock							
	Shares	**Amount**	**Shares**	**Amount**	**Additional Paid-in Capital**	**Accumulated Other Comprehensive (Loss) Income**	**Retained Earnings**	**Total United Natural Foods, Inc. Stockholders' Equity**	**Noncontrolling Interests**	**Total Stockholders' Equity**
Balances at July 30, 2022	58.9	$ 1	0.6	$ (24)	$ 608	$ (20)	$ 1,226	$ 1,791	$ 1	$ 1,792
Restricted stock vestings	2.0	—	—	—	(39)	—	—	(39)	—	(39)
Share-based compensation	—	—	—	—	33	—	—	33	—	33
Repurchases of common stock	—	—	1.1	(41)	—	—	—	(41)	—	(41)
Other comprehensive income	—	—	—	—	—	5	—	5	—	5
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	(5)	(5)
Net income	—	—	—	—	—	—	92	92	5	97
Balances at April 29, 2023	60.9	$ 1	1.7	$ (65)	$ 602	$ (15)	$ 1,318	$ 1,841	$ 1	$ 1,842
Balances at July 31, 2021	57.0	$ 1	0.6	$ (24)	$ 599	$ (39)	$ 978	$ 1,515	$ (1)	$ 1,514
Restricted stock vestings	2.0	—	—	—	(42)	—	—	(42)	—	(42)
Share-based compensation	—	—	—	—	33	—	—	33	—	33
Other comprehensive income	—	—	—	—	—	61	—	61	—	61
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	(4)	(4)
Proceeds from issuance of common stock, net	—	—	—	—	9	—	—	9	—	9
Net income	—	—	—	—	—	—	209	209	4	213
Balances at April 30, 2022	59.0	$ 1	0.6	$ (24)	$ 599	$ 22	$ 1,187	$ 1,785	$ (1)	$ 1,784

See accompanying Notes to Condensed Consolidated Financial Statements.

UNITED NATURAL FOODS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)

		39-Week Period Ended			13-Week Period Ended	
(in millions)	*(in millions)*	**April 29, 2023**	**April 30, 2022**	*(in millions)*	**October 28, 2023**	**October 29, 2022**

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CASH FLOWS FROM OPERATING ACTIVITIES:	**CASH FLOWS FROM OPERATING ACTIVITIES:**			**CASH FLOWS FROM OPERATING ACTIVITIES:**		
Net income including noncontrolling interests		$ 97	$ 213			
Adjustments to reconcile net income to net cash provided by (used in) operating activities:						
Net (loss) income including noncontrolling interests				Net (loss) income including noncontrolling interests	$ (39)	$ 67
Adjustments to reconcile net (loss) income to net cash used in operating activities:				Adjustments to reconcile net (loss) income to net cash used in operating activities:		
Depreciation and amortization	Depreciation and amortization	224	210	Depreciation and amortization	78	74
Share-based compensation	Share-based compensation	33	33	Share-based compensation	6	12
Gain on sale of property and equipment		(9)	(87)			
Closed property and other restructuring charges		—	1			
Gain on sale of long-lived assets				Gain on sale of long-lived assets	(7)	(5)
Long-lived asset impairment charges				Long-lived asset impairment charges	21	—
Net pension and other postretirement benefit income	Net pension and other postretirement benefit income	(22)	(30)	Net pension and other postretirement benefit income	(3)	(7)
Deferred income tax expense	Deferred income tax expense	2	—	Deferred income tax expense	—	2
LIFO charge	LIFO charge	83	102	LIFO charge	7	21
(Recoveries) provision for losses on receivables		(2)	4			
Non-cash interest expense and other adjustments	Non-cash interest expense and other adjustments	11	20	Non-cash interest expense and other adjustments	2	3
Changes in operating assets and liabilities	Changes in operating assets and liabilities	(15)	(497)	Changes in operating assets and liabilities	(319)	(429)
Net cash provided by (used in) operating activities		402	(31)			
Net cash used in operating activities				Net cash used in operating activities	(254)	(262)
CASH FLOWS FROM INVESTING ACTIVITIES:	**CASH FLOWS FROM INVESTING ACTIVITIES:**			**CASH FLOWS FROM INVESTING ACTIVITIES:**		
Payments for capital expenditures	Payments for capital expenditures	(218)	(158)	Payments for capital expenditures	(74)	(67)
Proceeds from dispositions of assets	Proceeds from dispositions of assets	14	231	Proceeds from dispositions of assets	9	7
Payments for investments	Payments for investments	(7)	(28)	Payments for investments	(7)	(1)
Net cash (used in) provided by investing activities		(211)	45			
Net cash used in investing activities				Net cash used in investing activities	(72)	(61)
CASH FLOWS FROM FINANCING ACTIVITIES:	**CASH FLOWS FROM FINANCING ACTIVITIES:**			**CASH FLOWS FROM FINANCING ACTIVITIES:**		

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Proceeds from borrowings under revolving credit line	Proceeds from borrowings under revolving credit line	2,387	3,853	Proceeds from borrowings under revolving credit line	597	1,206
Repayments of borrowings under revolving credit line	Repayments of borrowings under revolving credit line	(2,348)	(3,453)	Repayments of borrowings under revolving credit line	(257)	(829)
Repayments of long-term debt and finance leases	Repayments of long-term debt and finance leases	(149)	(369)	Repayments of long-term debt and finance leases	(6)	(6)
Repurchases of common stock	Repurchases of common stock	(41)	—	Repurchases of common stock	—	(12)
Proceeds from the issuance of common stock and exercise of stock options		—	9			
Payments of employee restricted stock tax withholdings	Payments of employee restricted stock tax withholdings	(39)	(42)	Payments of employee restricted stock tax withholdings	(6)	(37)
Payments for debt issuance costs		—	(1)			
Distributions to noncontrolling interests	Distributions to noncontrolling interests	(5)	(4)	Distributions to noncontrolling interests	(1)	(2)
Repayments of other loans	Repayments of other loans	(2)	—	Repayments of other loans	—	(1)
Net cash used in financing activities		(197)	(7)			
Other				Other	(1)	—
Net cash provided by financing activities				Net cash provided by financing activities	326	319
EFFECT OF EXCHANGE RATE ON CASH	**EFFECT OF EXCHANGE RATE ON CASH**	—	—	**EFFECT OF EXCHANGE RATE ON CASH**	—	(1)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(6)	7			
NET DECREASE IN CASH AND CASH EQUIVALENTS				**NET DECREASE IN CASH AND CASH EQUIVALENTS**	—	(5)
Cash and cash equivalents, at beginning of period	Cash and cash equivalents, at beginning of period	44	41	Cash and cash equivalents, at beginning of period	37	44
Cash and cash equivalents, at end of period	Cash and cash equivalents, at end of period	$ 38	$ 48	Cash and cash equivalents, at end of period	$ 37	$ 39
Supplemental disclosures of cash flow information:	*Supplemental disclosures of cash flow information:*			*Supplemental disclosures of cash flow information:*		
Cash paid for interest	Cash paid for interest	$ 114	$ 110	Cash paid for interest	$ 44	$ 40
Cash refunds for federal, state, and foreign income taxes, net		$ (4)	$ —			
Cash (refunds) for federal, state, and foreign income taxes, net				Cash (refunds) for federal, state, and foreign income taxes, net	$ (12)	$ (1)
Leased assets obtained in exchange for new operating lease liabilities	Leased assets obtained in exchange for new operating lease liabilities	$ 198	$ 260	Leased assets obtained in exchange for new operating lease liabilities	$ 39	$ 57
Leased assets obtained in exchange for new finance lease liabilities		$ —	$ 1			

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Additions of property and equipment included in Accounts payable	Additions of property and equipment included in Accounts payable	$	42	$	27	Additions of property and equipment included in Accounts payable	$	18	$	26

See accompanying Notes to Condensed Consolidated Financial Statements.

UNITED NATURAL FOODS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

NOTE 1—SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

United Natural Foods, Inc. and its subsidiaries (the “Company” or “UNFI”) is a leading distributor of natural, organic, specialty, produce and conventional grocery and non-food products, and provider of support services to retailers. The Company sells its products primarily throughout the United States and Canada.

Fiscal Year

The Company’s fiscal years end on the Saturday closest to July 31 and contain either 52 or 53 weeks. Fiscal 2024 will contain 53 weeks with the fourth quarter of fiscal 2024 containing 14 weeks. References to the third first quarter of fiscal 2023 2024 and 2022 2023 relate to the 13-week fiscal quarters ended April 29, 2023 October 28, 2023 and April 30, 2022, respectively. References to fiscal 2023 and 2022 year-to-date relate to the 39-week fiscal periods ended April 29, 2023 and April 30, 2022 October 29, 2022, respectively.

Basis of Presentation

The accompanying unaudited Condensed Consolidated Financial Statements include the accounts of the Company and its subsidiaries. All significant intercompany transactions and balances have been eliminated in consolidation.

The accompanying unaudited Condensed Consolidated Financial Statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (the “SEC”) for interim financial information, including the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, certain information and note disclosures normally required in complete financial statements prepared in conformity with accounting principles generally accepted in the United States (“GAAP”) have been condensed or omitted. In the Company’s opinion, these Condensed Consolidated Financial Statements include all adjustments necessary for a fair presentation of the financial position, results of operations and cash flows for the interim periods presented. However, the results of operations for interim periods may not be indicative of the results that may be expected for a full year. These Condensed Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and notes thereto included in the Company’s Annual Report on Form 10-K for the fiscal year ended July 30, 2022 July 29, 2023 (the “Annual Report”). There were no material changes in significant accounting policies from those described in the Annual Report.

Use of Estimates

The preparation of the Condensed Consolidated Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Within the Condensed Consolidated Financial Statements certain immaterial amounts have been reclassified to conform with current period presentation. These reclassifications had no impact on reported net income, cash flows, or total assets and liabilities.

Cash and Cash Equivalents

Cash equivalents consist of highly liquid investments with original maturities of three months or less. The Company’s banking arrangements allow it to fund outstanding checks when presented to the financial institution for payment. The Company funds all intraday bank balance overdrafts during the same business day. Checks outstanding in excess of bank balances create book overdrafts, which are recorded in Accounts payable in the Condensed Consolidated Balance Sheets and are reflected as an operating activity in the Condensed Consolidated Statements of Cash Flows. As of April 29, 2023 October 28, 2023 and July 30, 2022 July 29, 2023, the Company had net book overdrafts of $311 $328 million and $266 million $308 million, respectively.

Reclassifications

Within the Condensed Consolidated Financial Statements certain immaterial amounts have been reclassified to conform with current period presentation. These reclassifications had no impact on reported net income, cash flows, or total assets and liabilities.

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Inventories, Net

Substantially all of the Company's inventories consist of finished goods. To value discrete inventory items at lower of cost or net realizable value before application of any last-in, first-out ("LIFO") reserve, the Company utilizes the weighted average cost method, perpetual cost method, the retail inventory method and the replacement cost method. Allowances for vendor funds and cash discounts received from suppliers are recorded as a reduction to Inventories, net and subsequently within Cost of sales upon the sale of the related products. Inventory quantities are evaluated throughout each fiscal year based on actual physical counts in the Company's distribution facilities and stores. Allowances for inventory shortages are recorded based on the results of these counts to provide for estimated variances as of the end of each fiscal year. counts. The LIFO reserve was approximately $308 $351 million and $225 $344 million as of April 29, 2023 October 28, 2023 and July 30, 2022 July 29, 2023, respectively, which is recorded within Inventories, net on the Condensed Consolidated Balance Sheets.

NOTE 2—RECENTLY ADOPTED AND ISSUED ACCOUNTING PRONOUNCEMENTS

Recently Issued Accounting Pronouncements

In June 2022, the FASB Financial Accounting Standards Board ("FASB") issued ASU 2022-03, *Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions. Restrictions*. ASU 2022-03 clarifies that a contractual restriction on the sale of an equity security is not part of the unit of account of the equity security and, therefore, is not considered in measuring fair value. The amendments in this update also require additional disclosures for equity securities subject to contractual sale restrictions. The Company is required to adopt the amendments in this guidance update in the first quarter of fiscal 2025. The Company is in the process of reviewing the provisions of the new standard amendments in this update but does not expect the adoption to have a material impact on the Company's consolidated financial statements.

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*. ASU 2023-07 requires disclosure of significant segment expenses that are regularly provided to the chief operating decision maker ("CODM") and included within each reported measure of segment profit or loss, an amount and description of its composition for other segment items to reconcile to segment profit or loss, and the title and position of the entity's CODM. The amendments in this update also expand the interim segment disclosure requirements. The Company is required to adopt the amendments in this update in fiscal 2025, and the interim disclosure requirements will be effective for the Company in the first quarter of fiscal 2026. Early adoption is permitted. The amendments in this update are required to be applied on a retrospective basis. The Company is currently reviewing the provisions of the amendments in this update and evaluating their impact on the Company's consolidated financial statements.

NOTE 3—REVENUE RECOGNITION

Disaggregation of Revenues

The Company records revenue to five customer channels within Net sales, which are described below:

- *Chains*, which consists of customer accounts that typically have more than 10 operating stores and excludes stores included within the Supernatural and Other channels defined below;
- *Independent retailers*, which includes smaller size accounts including single store and multiple store locations, and group purchasing entities that are not classified within Chains above or Other defined below;
- *Supernatural*, which consists of chain accounts that are national in scope and carry primarily natural products, and currently consists solely of one customer;
- *Retail*, which reflects the Company's Retail segment, including Cub Cub® Foods and Shoppers Shoppers® stores; and
- *Other*, which includes international customers outside of Canada, foodservice, eCommerce, conventional military business and other sales.

The following tables detail the Company's Net sales for the periods presented by customer channel for each of its segments. The Company does not record its revenues within its Wholesale reportable segment for financial reporting purposes by product group, and it is therefore impracticable for it to report them accordingly.

		Net Sales for the 13-Week Period Ended						Net Sales for the 13-Week Period Ended				
(in millions)	*(in millions)*	April 29, 2023					*(in millions)*	October 28, 2023				
Customer Channel	**Customer Channel**	**Wholesale**	**Retail**	**Other**	**Eliminations(1)**	**Consolidated**	**Customer Channel**	**Wholesale**	**Retail**	**Other**	**Eliminations(1)**	**Consolidated**
Chains	Chains	$ 3,129	$ —	$ —	$ —	$ 3,129	Chains	$ 3,184	$ —	$ —	$ —	$ 3,184
Independent retailers	Independent retailers	1,875	—	—	—	1,875	Independent retailers	1,899	—	—	—	1,899
Supernatural	Supernatural	1,647	—	—	—	1,647	Supernatural	1,612	—	—	—	1,612
Retail	Retail	—	598	—	—	598	Retail	—	606	—	—	606
Other	Other	584	—	56	—	640	Other	586	—	60	—	646

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Eliminations	Eliminations	—	—	—	(382)	(382)
Total	Total	$ 7,235	$ 598	$ 56	$ (382)	$ 7,507

Eliminations	—	—	—	(395)	(395)
Total	$ 7,281	$ 606	$ 60	$ (395)	$ 7,552

		Net Sales for the 13-Week Period Ended				
(in millions)	*(in millions)*	April 30, 2022				
Customer Channel	**Customer Channel**	**Wholesale**	**Retail**	**Other**	**Eliminations(1)**	**Consolidated**
Chains	Chains	$ 3,111	$ —	$ —	$ —	$ 3,111
Independent retailers	Independent retailers	1,833	—	—	—	1,833
Supernatural	Supernatural	1,468	—	—	—	1,468
Retail	Retail	—	602	—	—	602
Other	Other	565	—	60	—	625
Eliminations	Eliminations	—	—	—	(397)	(397)
Total	Total	$ 6,977	$ 602	$ 60	$ (397)	$ 7,242

	Net Sales for the 13-Week Period Ended				
(in millions)	October 29, 2022				
Customer Channel	**Wholesale**	**Retail**	**Other**	**Eliminations(1)**	**Consolidated**
Chains	$ 3,224	$ —	$ —	$ —	$ 3,224
Independent retailers	1,947	—	—	—	1,947
Supernatural	1,513	—	—	—	1,513
Retail	—	613	—	—	613
Other	575	—	60	—	635
Eliminations	—	—	—	(400)	(400)
Total	$ 7,259	$ 613	$ 60	$ (400)	$ 7,532

	Net Sales for the 39-Week Period Ended				
(in millions)	April 29, 2023				
Customer Channel	**Wholesale**	**Retail**	**Other**	**Eliminations(1)**	**Consolidated**
Chains	$ 9,675	$ —	$ —	$ —	$ 9,675
Independent retailers	5,802	—	—	—	5,802
Supernatural	4,819	—	—	—	4,819
Retail	—	1,871	—	—	1,871
Other	1,712	—	172	—	1,884
Eliminations	—	—	—	(1,196)	(1,196)
Total	$ 22,008	$ 1,871	$ 172	$ (1,196)	$ 22,855

	Net Sales for the 39-Week Period Ended				
(in millions)	April 30, 2022				
Customer Channel	**Wholesale**	**Retail**	**Other**	**Eliminations(1)**	**Consolidated**
Chains	$ 9,436	$ —	$ —	$ —	$ 9,436
Independent retailers	5,488	—	—	—	5,488
Supernatural	4,299	—	—	—	4,299
Retail	—	1,847	—	—	1,847
Other	1,620	—	166	—	1,786
Eliminations	—	—	—	(1,201)	(1,201)
Total	$ 20,843	$ 1,847	$ 166	$ (1,201)	$ 21,655

(1) Eliminations primarily includes the net sales elimination of Wholesale to Retail sales and the elimination of sales from segments included within Other to Wholesale.

The Company serves customers in the United States and Canada, as well as customers located in other countries. However, all of the Company's revenue is earned in the United States and Canada, and international distribution occurs through freight-forwarders. The Company does not have any performance obligations on international shipments subsequent to delivery to the domestic port.

Accounts and Notes Receivable Balances

Accounts and notes receivable are as follows:

(in millions)	*(in millions)*	**April 29, 2023**	**July 30, 2022**
Customer accounts receivable	Customer accounts receivable	$ 979	$ 1,213
Allowance for uncollectible receivables	Allowance for uncollectible receivables	(16)	(18)

(in millions)	**October 28, 2023**	**July 29, 2023**
Customer accounts receivable	$ 1,004	$ 887
Allowance for uncollectible receivables	(17)	(17)

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Other receivables, net	Other receivables, net	22	19	Other receivables, net	26	19
Accounts receivable, net	Accounts receivable, net	$ 985	$ 1,214	Accounts receivable, net	$ 1,013	$ 889
Notes receivable, net, included within Prepaid expenses and other current assets	Notes receivable, net, included within Prepaid expenses and other current assets	$ 3	$ 6	Notes receivable, net, included within Prepaid expenses and other current assets	$ 4	$ 3
Long-term notes receivable, net, included within Other long-term assets	Long-term notes receivable, net, included within Other long-term assets	$ 7	$ 12	Long-term notes receivable, net, included within Other long-term assets	$ 7	$ 7

On October 31, 2022,

During the prior year, the Company entered into an agreement to sell, on a purchase agreement with a third-party financial institution for the sale of revolving basis, certain customer accounts receivable up to a maximum outstanding amount of $300 million, without recourse, subject to eligibility criteria established by the third-party financial institution. Pursuant to the terms of the agreement, certain customer receivables are sold to the third-party financial institution on a revolving basis, subject to certain limitations. After these sales, the Company does not retain any interest in the receivables. The Company's continuing involvement in transferred receivables is limited to servicing the receivables.

Accounts receivable that the Company is servicing on behalf of the financial institution, which would have otherwise been outstanding as of April 29, 2023 October 28, 2023 and July 29, 2023, was approximately $286 million. $326 million and $310 million, respectively. Net proceeds received are included within net cash provided by from operating activities in the Condensed Consolidated Statements of Cash Flows in the period of sale. The loss on sale of receivables was $4 million and $9 $5 million during the third first quarter of fiscal 2023 and fiscal 2023 year-to-date, respectively, 2024, and is recorded within Loss (gain) on sale of assets and other asset charges in the Condensed Consolidated Statements of Operations.

NOTE 4—PROPERTY AND EQUIPMENT, NET

In the first quarter of fiscal 2024, the Company determined that it was more likely than not that it would dispose of one of its corporate-owned office locations before the end of its previously estimated useful life. As a result, the Company conducted an impairment review and recorded a $21 million non-cash asset impairment charge in the first quarter of fiscal 2024. The fair value utilized in the Company's impairment review was determined based on the market approach. The impairment charge is recorded within Loss (gain) on sale of assets and other asset charges in the Condensed Consolidated Statements of Operations. There were no asset impairment charges recorded in the first quarter of fiscal 2023.

NOTE 4— 5—GOODWILL AND INTANGIBLE ASSETS, NET

Changes in the carrying value of Goodwill by reportable segment that have goodwill consisted of the following:

(in millions)	*(in millions)* Wholesale	Other	Total	*(in millions)*	Wholesale	Other	Total
Goodwill as of July 30, 2022	$ 10 (1)	$ 10 (2)	$ 20				
Goodwill as of July 29, 2023				Goodwill as of July 29, 2023	$ 10 (1)	$ 10 (2)	$ 20
Change in foreign exchange rates				Change in foreign exchange rates	(1)	—	(1)
Goodwill as of October 28, 2023				Goodwill as of October 28, 2023	$ 9 (1)	$ 10 (2)	$ 19
Change in foreign exchange rates	—	—	—				
Goodwill as of April 29, 2023	$ 10 (1)	$ 10 (2)	$ 20				

(1) Wholesale amounts are net of accumulated goodwill impairment charges of $717 million as of July 30, 2022 July 29, 2023 and April 29, 2023 October 28, 2023.

(2) Other amounts are net of accumulated goodwill impairment charges of $10 million as of July 30, 2022 July 29, 2023 and April 29, 2023 October 28, 2023.

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Identifiable intangible assets, net consisted of the following:

		April 29, 2023			July 30, 2022				October 28, 2023			July 29, 2023		
(in millions)	*(in millions)*	Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount	Accumulated Amortization	Net	*(in millions)*	Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount	Accumulated Amortization	Net
Amortizing intangible assets:	Amortizing intangible assets:							Amortizing intangible assets:						
Customer relationships	Customer relationships	$ 1,007	$ 339	$ 668	$ 1,007	$ 294	$ 713	Customer relationships	$ 1,007	$ 368	$ 639	$ 1,007	$ 354	$ 653
Pharmacy prescription files	Pharmacy prescription files	33	21	12	33	18	15	Pharmacy prescription files	33	24	9	33	22	11
Operating lease intangibles	Operating lease intangibles	6	4	2	6	4	2	Operating lease intangibles	6	5	1	6	5	1
Trademarks and tradenames	Trademarks and tradenames	84	57	27	84	51	33	Trademarks and tradenames	88	59	29	89	57	32
Total amortizing intangible assets	Total amortizing intangible assets	1,130	421	709	1,130	367	763	Total amortizing intangible assets	1,134	456	678	1,135	438	697
Indefinite lived intangible assets:	Indefinite lived intangible assets:							Indefinite lived intangible assets:						
Trademarks and tradenames	Trademarks and tradenames	56	—	56	56	—	56	Trademarks and tradenames	25	—	25	25	—	25
Intangibles assets, net	Intangibles assets, net	$ 1,186	$ 421	$ 765	$ 1,186	$ 367	$ 819	Intangibles assets, net	$ 1,159	$ 456	$ 703	$ 1,160	$ 438	$ 722

Amortization expense was $18 million and $18 million for the third first quarters of fiscal 2023 2024 and 2022, respectively, and $54 million and $54 million for fiscal 2023 and 2022 year-to-date, respectively. 2023. The estimated future amortization expense for each of the next five fiscal years and thereafter on amortizing intangible assets existing as of April 29, 2023 October 28, 2023 is as shown below:

Fiscal Year:	Fiscal Year:		*(in millions)*	Fiscal Year:		*(in millions)*
Remaining fiscal 2023		$	18			
2024			72			
Remaining fiscal 2024				Remaining fiscal 2024	$	55
2025	2025		70	2025		71
2026	2026		66	2026		67
2027	2027		63	2027		64
2028				2028		61
Thereafter	Thereafter		420	Thereafter		360
		$	709		$	678

NOTE 5— 6—FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Recurring Fair Value Measurements

The following tables provide the fair value hierarchy for financial assets and liabilities measured on a recurring basis:

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(in millions)	Condensed Consolidated Balance Sheets Location	Fair Value at April 29, 2023 October 28, 2023 Level 1	Level 2	Level 3
Assets:				
Fuel derivatives designated as hedging instruments	Prepaid expenses and other current assets	$ —	$ 1	$ —
Foreign currency derivatives designated as hedging instruments	Prepaid expenses and other current assets	$ —	$ 1	$ —
Interest rate swaps designated as hedging instruments	Prepaid expenses and other current assets	$ —	$ 15	$ —
Interest rate swaps designated as hedging instruments	Other long-term assets	$ —	$ 4	$ —

(in millions)	Condensed Consolidated Balance Sheets Location	Fair Value at July 29, 2023 Level 1	Level 2	Level 3
Assets:				
Interest rate swaps designated as hedging instruments	Prepaid expenses and other current assets	$ —	$ 17	$ —
Interest rate swaps designated as hedging instruments	Other long-term assets	$ —	$ 5	$ —
Liabilities:				
Fuel derivatives designated as hedging instruments	Accrued expenses and other current liabilities	$ —	$ 2	$ —

(in millions)	Condensed Consolidated Balance Sheets Location	Fair Value at July 30, 2022 Level 1	Level 2	Level 3
Assets:				
Fuel derivatives designated as hedging instruments	Prepaid expenses and other current assets	$ —	$ 3	$ —
Interest rate swaps designated as hedging instruments	Prepaid expenses and other current assets	$ —	$ 3	$ —
Interest rate swaps designated as hedging instruments	Other long-term assets	$ —	$ 1	$ —
Liabilities:				
Interest rate swaps designated as hedging instruments	Other long-term liabilities	$ —	$ 2	$ —

Interest Rate Swap Contracts

The fair values of interest rate swap contracts are measured using Level 2 inputs. The interest rate swap contracts are valued using an income approach interest rate swap valuation model incorporating observable market inputs including interest rates, SOFR swap rates and credit default swap rates. As of April 29, 2023 October 28, 2023, a 100-basis point increase in forward SOFR interest rates would increase the fair value of the interest rate swaps by approximately $10 million $6 million; a 100-basis point decrease in forward SOFR interest rates would decrease the fair value of the interest rate swaps by approximately $10 million $6 million. Refer to Note 6—7—Derivatives for further information on interest rate swap contracts.

Fair Value Estimates

For certain of the Company's financial instruments including cash and cash equivalents, receivables, accounts payable, accrued vacation, compensation and benefits, and other current assets and liabilities the fair values approximate carrying amounts due to their short maturities. The fair value of notes receivable is estimated by using a discounted cash flow approach prior to consideration for uncollectible amounts and is calculated by applying a market rate for similar instruments using Level 3 inputs. The fair value of debt is estimated based on market quotes, where available, or market values for similar instruments, using Level 2 and 3 inputs. In the table below, the carrying value of the Company's long-term debt is net of original issue discounts and debt issuance costs.

		April 29, 2023		July 30, 2022			October 28, 2023		July 29, 2023	
(in millions)	(in millions)	Carrying Value	Fair Value	Carrying Value	Fair Value	(in millions)	Carrying Value	Fair Value	Carrying Value	Fair Value
Notes receivable, including current portion	Notes receivable, including current portion	$ 15	$ 9	$ 23	$ 17	Notes receivable, including current portion	$ 15	$ 9	$ 15	$ 8

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Long-term debt, including current portion	Long-term debt, including current portion	$ 2,032	$ 2,033	$ 2,123	$ 2,153	Long-term debt, including current portion	$ 2,301	$ 2,214	$ 1,963	$ 1,903

NOTE 6— 7—DERIVATIVES

Management of Interest Rate Risk

The Company enters into interest rate swap contracts from time to time to mitigate its exposure to changes in market interest rates as part of its overall strategy to manage its debt portfolio to achieve an overall desired position of notional debt amounts subject to fixed and floating interest rates. Interest rate swap contracts are entered into for periods consistent with related underlying exposures and do not constitute positions independent of those exposures. The Company's interest rate swap contracts are designated as cash flow hedges as of April 29, 2023 October 28, 2023. Interest rate swap contracts are reflected at their fair values in the Condensed Consolidated Balance Sheets. Refer to Note 5— 6—Fair Value Measurements of Financial Instruments for further information on the fair value of interest rate swap contracts.

Details of active swap contracts as of April 29, 2023 October 28, 2023, which are all pay fixed and receive floating, are as follows:

Effective Date	Effective Date	Swap Maturity	Notional Value (in millions)	Pay Fixed Rate	Receive Floating Rate	Floating Rate Reset Terms	Effective Date	Swap Maturity	Notional Value (in millions)	Pay Fixed Rate	Receive Floating Rate	Floating Rate Reset Terms
November 30, 2018		September 30, 2023	50	2.6980 %	One-Month Term SOFR	Monthly						
October 26, 2018	October 26, 2018	October 31, 2023	100	2.7880 %	One-Month Term SOFR	Monthly	October 26, 2018	October 31, 2023	100	2.7880 %	One-Month Term SOFR	Monthly
January 11, 2019	January 11, 2019	March 28, 2024	100	2.3600 %	One-Month Term SOFR	Monthly	January 11, 2019	March 28, 2024	100	2.3600 %	One-Month Term SOFR	Monthly
January 23, 2019	January 23, 2019	March 28, 2024	100	2.4250 %	One-Month Term SOFR	Monthly	January 23, 2019	March 28, 2024	100	2.4250 %	One-Month Term SOFR	Monthly
November 30, 2018	November 30, 2018	October 31, 2024	100	2.7385 %	One-Month Term SOFR	Monthly	November 30, 2018	October 31, 2024	100	2.7385 %	One-Month Term SOFR	Monthly
January 11, 2019	January 11, 2019	October 31, 2024	100	2.4025 %	One-Month Term SOFR	Monthly	January 11, 2019	October 31, 2024	100	2.4025 %	One-Month Term SOFR	Monthly
January 24, 2019	January 24, 2019	October 31, 2024	50	2.4090 %	One-Month Term SOFR	Monthly	January 24, 2019	October 31, 2024	50	2.4090 %	One-Month Term SOFR	Monthly
October 26, 2018	October 26, 2018	October 22, 2025	50	2.8725 %	One-Month Term SOFR	Monthly	October 26, 2018	October 22, 2025	50	2.8725 %	One-Month Term SOFR	Monthly
November 16, 2018	November 16, 2018	October 22, 2025	50	2.8750 %	One-Month Term SOFR	Monthly	November 16, 2018	October 22, 2025	50	2.8750 %	One-Month Term SOFR	Monthly

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November 16, 2018	November 16, 2018	October 22, 2025	50	2.8380 %	One-Month Term SOFR	Monthly	November 16, 2018	October 22, 2025	50	2.8380 %	One-Month Term SOFR	Monthly
January 24, 2019	January 24, 2019	October 22, 2025	50	2.4750 %	One-Month Term SOFR	Monthly	January 24, 2019	October 22, 2025	50	2.4750 %	One-Month Term SOFR	Monthly
			$ 800						$ 750			

The Company performs an initial quantitative assessment of hedge effectiveness using the "Hypothetical Derivative Method" in the period in which the hedging transaction is entered. Under this method, the Company assesses the effectiveness of each hedging relationship by comparing the changes in cash flows of the derivative hedging instrument with the changes in cash flows of the designated hedged transactions. In future reporting periods, the Company performs a qualitative analysis for quarterly prospective and retrospective assessments of hedge effectiveness. The Company also monitors the risk of counterparty default on an ongoing basis and noted that the counterparties are reputable financial institutions. The entire change in the fair value of the derivative is initially reported in Other comprehensive income (outside of earnings) in the Condensed Consolidated Statements of Comprehensive (Loss) Income and subsequently reclassified to earnings in Interest expense, net in the Condensed Consolidated Statements of Operations when the hedged transactions affect earnings.

The location and amount of gains or losses recognized in the Condensed Consolidated Statements of Operations for interest rate swap contracts for each of the periods, presented on a pre-tax basis, are as follows:

		13-Week Period Ended		**39-Week Period Ended**			**13-Week Period Ended**	
		April 29, 2023	**April 30, 2022**	**April 29, 2023**	**April 30, 2022**		**October 28, 2023**	**October 29, 2022**
(in millions)	*(in millions)*	**Interest expense, net**		**Interest expense, net**		*(in millions)*	**Interest expense, net**	
Total amounts of expense line items presented in the Condensed Consolidated Statements of Operations in which the effects of cash flow hedges are recorded	Total amounts of expense line items presented in the Condensed Consolidated Statements of Operations in which the effects of cash flow hedges are recorded	$ 35	$ 37	$ 109	$ 121	Total amounts of expense line items presented in the Condensed Consolidated Statements of Operations in which the effects of cash flow hedges are recorded	$ 35	$ 35
Gain (loss) on cash flow hedging relationships:								
Gain (loss) reclassified from comprehensive income into earnings		$ 3	$ (9)	$ 7	$ (30)			
Gain on cash flow hedging relationships:						**Gain on cash flow hedging relationships:**		
Gain reclassified from comprehensive income into earnings						Gain reclassified from comprehensive income into earnings	$ 5	$ —

NOTE 7—8—LONG-TERM DEBT

The Company's long-term debt consisted of the following:

(in millions)	*(in millions)*	**Average Interest Rate at April 29, 2023**	**Fiscal Maturity Year**	**April 29, 2023**	**July 30, 2022**	*(in millions)*	**Average Interest Rate at October 28, 2023**	**Fiscal Maturity Year**	**October 28, 2023**	**July 29, 2023**

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Term Loan Facility	Term Loan Facility	8.35%	2026	$ 670	$ 800	Term Loan Facility	8.68%	2026	$ 670	$ 670
ABL Credit Facility	ABL Credit Facility	6.20%	2027	879	840	ABL Credit Facility	6.78%	2027	1,152	812
Senior Notes	Senior Notes	6.75%	2029	500	500	Senior Notes	6.75%	2029	500	500
Other secured loans	Other secured loans	4.93%	2024-2025	13	23	Other secured loans	4.43%	2025	5	9
Debt issuance costs, net	Debt issuance costs, net			(23)	(29)	Debt issuance costs, net			(20)	(22)
Original issue discount on debt	Original issue discount on debt			(7)	(11)	Original issue discount on debt			(6)	(6)
Long-term debt, including current portion	Long-term debt, including current portion			2,032	2,123	Long-term debt, including current portion			2,301	1,963
Less: current portion of long-term debt	Less: current portion of long-term debt			(10)	(14)	Less: current portion of long-term debt			(5)	(7)
Long-term debt	Long-term debt			$ 2,022	$ 2,109	Long-term debt			$ 2,296	$ 1,956

Senior Notes

On October 22, 2020, the Company issued $500 million of unsecured 6.750% senior notes due October 15, 2028 (the “Senior Notes”). The Senior Notes, which are presented net of debt issuance costs of $7 $6 million as of April 29, 2023 and July 30, 2022 October 28, 2023 in the Condensed Consolidated Balance Sheets, are guaranteed by each of the Company’s subsidiaries that are borrowers under or that guarantee the ABL Credit Facility or the Term Loan Facility (defined below).

ABL Credit Facility

The revolving credit agreement dated as of June 3, 2022 (the “ABL Loan Agreement”), by and among the Company (the “U.S. Borrower”), and UNFI Canada (the “Canadian Borrower” and, together with the U.S. Borrower, the “Borrowers”), and the financial institutions that are parties thereto as lenders (collectively, the “ABL Lenders”), Wells Fargo Bank, N.A. as administrative agent for the ABL Lenders, and the other parties thereto, provides for a secured asset-based revolving credit facility (the “ABL Credit Facility”), of which up to $2,600 million is available to the Borrowers, including a U.S. Dollar equivalent of $100 million sublimit for borrowings in Canadian dollars. Under the ABL Loan Agreement, the Borrowers may, at their option, increase the aggregate amount of the ABL Credit Facility in an amount of up to $750 million without the consent of any ABL Lenders not participating in such increase, subject to certain customary conditions and applicable lenders committing to provide the increase in funding. There is no assurance that additional funding would be available.

The Borrowers’ obligations under the ABL Credit Facility are guaranteed by most of the Company’s wholly owned wholly-owned subsidiaries (collectively, the “Guarantors”), subject to customary exceptions and limitations. The Borrowers’ obligations under the ABL Credit Facility and the Guarantors’ obligations under the related guarantees are secured by (i) a first-priority lien on certain accounts receivable, certain inventory and certain other assets arising therefrom or related thereto of the Borrowers and Guarantors (including substantially all of their deposit accounts, collectively, the “ABL Assets”) and (ii) a second-priority lien on all of the Borrowers’ and Guarantors’ assets that do not constitute ABL Assets, in each case, subject to customary exceptions and limitations.

Availability under the ABL Credit Facility is subject to a borrowing base (the “Borrowing Base”), which is based on 90% of eligible accounts receivable, plus 90% of eligible credit card receivables, plus 90% to 92.5% of the net orderly liquidation value of eligible inventory, plus 90% of eligible pharmacy receivables, plus certain availability related to pharmacy prescription files, availability to the Borrowers, after adjusting for customary reserves, but at no time shall exceed the lesser of the aggregate commitments under the ABL Credit Facility (currently $2,600 million) or the Borrowing Base.

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The assets included in the Condensed Consolidated Balance Sheets securing the outstanding obligations under the ABL Credit Facility on a first-priority basis and the unused credit and fees under the ABL Credit Facility, were as follows:

Assets securing the ABL Credit Facility (in millions): / (in millions)	April 29, 2023	July 30, 2022	October 28, 2023	July 29, 2023
Certain inventory assets included in Inventories, net	$ 1,974	$ 1,789	$ 2,173	$ 1,861
Certain receivables included in Accounts receivable, net	655	878	624	571
Pharmacy prescription files included in Intangible assets, net	12	15	9	11
Total	$ 2,641	$ 2,682	$ 2,806	$ 2,443

As of April 29, 2023 October 28, 2023, the Borrowers' Borrowing Base net of $100 million was $2,550 million, reflecting the advance rates described above and $101 million of reserves, was $2,640 million, which is above below the $2,600 million limit of availability, resulting availability. This resulted in total availability of $2,600 million $2,550 million for loans and letters of credit under the ABL Credit Facility. As of April 29, 2023, the Borrowers had $879 million of loans outstanding under the ABL Credit Facility, which are presented net of debt issuance costs of $8 million and are included in Long-term debt in the Condensed Consolidated Balance Sheets. As of April 29, 2023, the U.S. Borrowers had $144 million in letters of credit outstanding under the ABL Credit Facility. The Company's resulting remaining availability unused credit under the ABL Credit Facility was $1,577 million as of April 29, 2023. follows:

Availability under the ABL Credit Facility (in (in millions):	April 29, October 28, 2023
Total availability for ABL loans and letters of credit	$ 2,600 2,550
ABL loans outstanding	$879 (1,152)
Letters of credit outstanding	$ 144 (150)
Unused credit	$ 1,577 1,248

The applicable interest rates, unutilized commitment fees and letter of credit fees under the ABL Credit Facility are variable and are dependent upon the prior fiscal quarter's daily Average Availability (as defined in the ABL Loan Agreement), and were as follows:

Interest rates and fees under the ABL Credit Facility:	Range of Facility Rates and Fees (per annum)	April 29, 2023	Range of Facility Rates and Fees (per annum)	October 28, 2023
Borrowers' applicable margin for base rate loans	0.00% - 0.25%	0.00 %	0.00% - 0.25%	0.00 %
Borrowers' applicable margin for SOFR and BA loans(1)	1.00% - 1.25%	1.00 %	1.00% - 1.25%	1.00 %
Unutilized commitment fees	0.20%	0.20 %	0.20%	0.20 %
Letter of credit fees	1.125% - 1.375%	1.125 %	1.125% - 1.375%	1.125 %

(1) The U.S. Borrower utilizes SOFR-based loans and the Canadian Borrower utilizes bankers' acceptance rate-based loans.

Term Loan Facility

The term loan agreement dated as of October 22, 2018 (as amended, the "Term Loan Agreement"), by and among the Company and SUPERVALU INC. ("Supervalu" and, collectively with the Company, the "Term Borrowers"), the financial institutions that are parties thereto as lenders (collectively, the "Term Lenders"), Credit Suisse, as administrative agent for the Term Lenders, and the other parties thereto, provides for a $1,800 million senior secured first lien term loans in an initial aggregate principal amount of $1,950 million, consisting of a $1,800 million seven-year tranche and a $150 million 364-day tranche that was repaid in fiscal 2020 loan (the "Term Loan Facility"). The net proceeds from the Term Loan Facility were used to finance the Supervalu acquisition and related transaction costs. Any amounts then outstanding will be payable in full on October 22, 2025.

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The obligations under the Term Loan Facility are guaranteed by the Guarantors, subject to customary exceptions and limitations. The Term Borrowers' obligations under the Term Loan Facility and the Guarantors' obligations under the related guarantees are secured by (i) a first-priority lien on substantially all of the Term Borrowers' and the Guarantors' assets other than the ABL Assets and (ii) a second-priority lien on substantially all of the Term Borrowers' and the Guarantors' ABL Assets, in each case, subject to customary exceptions and limitations, including an exception for owned real property with net book values of less than $10 million. As of April 29, 2023 October 28, 2023 and July 30, 2022 July 29, 2023, there was $615 million $612 million and $629 $617 million, respectively, of owned real property pledged as collateral that was included in Property and equipment, net in the Condensed Consolidated Balance Sheets.

The Company must prepay loans outstanding under the Term Loan Facility no later than 130 days after the fiscal year end in an aggregate principal amount equal to a specified percentage (which percentage ranges from 0 to 75 percent depending on the Consolidated First Lien Net Leverage Ratio as of the last day of such fiscal year) of Excess Cash Flow (as defined in the Term Loan Agreement), minus certain types of voluntary prepayments of indebtedness made during such fiscal year. As The potential amount of April 29, 2023, there is no prepayment from Excess Cash Flow payment expected to in fiscal 2024 that may be required in fiscal 2024. 2025 is not reasonably estimable as of October 28, 2023.

As of April 29, 2023 October 28, 2023, the Company had borrowings of $670 million outstanding under the Term Loan Facility, which are presented in the Condensed Consolidated Balance Sheets net of debt issuance costs of $8 million $7 million and an original issue discount on debt of $7 million $6 million. As of April 29, 2023 October 28, 2023, no amount of the Term Loan Facility was classified as current.

On November 7, 2022 As of October 28, 2023, the Company made a $125 million voluntary prepayment on borrowings under the Term Loan Facility with a portion of the proceeds received from monetizing certain receivables within Accounts receivable, net associated with the Company's purchase agreement with a third-party financial institution as previously discussed within Note 3—Revenue Recognition. This voluntary prepayment will count towards any requirement to prepay bear interest at rates that, at the Term Loan Facility from Excess Cash Flow (as defined in Borrowers' option, can be either: (i) a base rate plus a margin of 2.25% or (ii) a SOFR rate plus a margin of 3.25%, provided that the Term Loan Agreement) generated during fiscal 2023, which would SOFR rate shall never be due in fiscal 2024. less than 0.0%.

NOTE 8— 9—COMPREHENSIVE (LOSS) INCOME AND ACCUMULATED OTHER COMPREHENSIVE (LOSS) INCOME LOSS

Changes in Accumulated other comprehensive loss by component, net of tax, for the first quarter of fiscal 2023 year-to-date 2024 were as follows:

(in millions)	Other Cash Flow Derivatives	Benefit Plans	Foreign Currency Translation	Swap Agreements	Total
Accumulated other comprehensive income (loss) at July 30, 2022	$ 2	$ (3)	$ (19)	$ —	$ (20)
Other comprehensive (loss) income before reclassifications	(6)	—	(4)	17	7
Amortization of amounts included in net periodic benefit income	—	1	—	—	1
Amortization of cash flow hedges	2	—	—	(5)	(3)
Net current period Other comprehensive (loss) income	(4)	1	(4)	12	5
Accumulated other comprehensive (loss) income at April 29, 2023	$ (2)	$ (2)	$ (23)	$ 12	$ (15)

(in millions)	Other Cash Flow Derivatives	Benefit Plans	Foreign Currency Translation	Swap Agreements	Total
Accumulated other comprehensive (loss) income at July 29, 2023	$ —	$ (21)	$ (21)	$ 14	$ (28)
Other comprehensive income (loss) before reclassifications	1	—	(3)	1	(1)
Amortization of cash flow hedges	—	—	—	(4)	(4)
Net current period Other comprehensive income (loss)	1	—	(3)	(3)	(5)
Accumulated other comprehensive income (loss) at October 28, 2023	$ 1	$ (21)	$ (24)	$ 11	$ (33)

Changes in Accumulated other comprehensive (loss) income loss by component, net of tax, for the first quarter of fiscal 2022 year-to-date 2023 were as follows:

(in millions)	Other Cash Flow Derivatives	Benefit Plans	Foreign Currency Translation	Swap Agreements	Total
Accumulated other comprehensive income (loss) at July 31, 2021	$ —	$ 37	$ (16)	$ (60)	$ (39)
Other comprehensive income (loss) before reclassifications	1	—	(3)	36	34
Amortization of amounts included in net periodic benefit income	—	2	—	—	2
Amortization of cash flow hedges	3	—	—	22	25
Net current period Other comprehensive income (loss)	4	2	(3)	58	61
Accumulated other comprehensive income (loss) at April 30, 2022	$ 4	$ 39	$ (19)	$ (2)	$ 22

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(in millions)	Other Cash Flow Derivatives	Benefit Plans	Foreign Currency Translation	Swap Agreements	Total
Accumulated other comprehensive income (loss) at July 30, 2022	$ 2	$ (3)	$ (19)	$ —	$ (20)
Other comprehensive (loss) income before reclassifications	(1)	—	(3)	18	14
Amortization of cash flow hedges	1	—	—	—	1
Net current period Other comprehensive (loss) income	—	—	(3)	18	15
Accumulated other comprehensive income (loss) at October 29, 2022	$ 2	$ (3)	$ (22)	$ 18	$ (5)

Items reclassified out of Accumulated other comprehensive (loss) income loss had the following impact on the Condensed Consolidated Statements of Operations:

	13-Week Period Ended		39-Week Period Ended		
(in millions)	April 29, 2023	April 30, 2022	April 29, 2023	April 30, 2022	Affected Line Item on the Condensed Consolidated Statements of Operations
Pension and postretirement benefit plan net assets:					
Amortization of amounts included in net periodic benefit income(1)	$ —	$ —	$ 1	$ 2	Net periodic benefit income, excluding service cost
Income tax benefit	—	—	—	—	(Benefit) provision for income taxes
Total reclassifications, net of tax	$ —	$ —	$ 1	$ 2	
Swap agreements:					
Reclassification of cash flow hedges	$ (3)	$ 9	$ (7)	$ 30	Interest expense, net
Income tax expense (benefit)	1	(2)	2	(8)	(Benefit) provision for income taxes
Total reclassifications, net of tax	$ (2)	$ 7	$ (5)	$ 22	
Other cash flow hedges:					
Reclassification of cash flow hedge	$ 1	$ 2	$ 3	$ 4	Cost of sales
Income tax benefit	—	—	(1)	(1)	(Benefit) provision for income taxes
Total reclassifications, net of tax	$ 1	$ 2	$ 2	$ 3	

(1) Reclassification of amounts included in net periodic benefit income include reclassification of prior service cost and reclassification of net actuarial loss as reflected in Note 10—Benefit Plans.

	13-Week Period Ended		
(in millions)	October 28, 2023	October 29, 2022	Affected Line Item on the Condensed Consolidated Statements of Operations
Swap agreements:			
Reclassification of cash flow hedges	$ (5)	$ —	Interest expense, net
Income tax expense (benefit)	1	—	(Benefit) provision for income taxes
Total reclassifications, net of tax	$ (4)	$ —	
Other cash flow hedges:			
Reclassification of cash flow hedge	$ —	$ 1	Cost of sales
Income tax expense (benefit)	—	—	(Benefit) provision for income taxes
Total reclassifications, net of tax	$ —	$ 1	

As of April 29, 2023 October 28, 2023, the Company expects to reclassify $13 $15 million related to unrealized derivative gains out of Accumulated other comprehensive loss and primarily into Interest expense, net during the following twelve-month period.

NOTE 9— 10—SHARE-BASED AWARDS

In fiscal 2023 year-to-date, the Company granted restricted stock units and performance share units to its directors, executive officers and certain employees representing a right to receive an aggregate of 1.6 million shares. As of April 29, 2023 October 28, 2023, there were 1.6 million 2.2 million shares available for issuance under the Second Amended and Restated 2020 Equity Incentive Plan.

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NOTE 10—11—BENEFIT PLANS

Net periodic benefit income (income) cost and contributions to defined benefit pension and other postretirement benefit plans consisted of the following:

	13-Week Period Ended			
	Pension Benefits		Other Postretirement Benefits	
(in millions)	**April 29, 2023**	**April 30, 2022**	**April 29, 2023**	**April 30, 2022**
Net Periodic Benefit (Income) Cost				
Interest cost	$ 16	$ 10	$ —	$ —
Expected return on plan assets	(24)	(20)	—	—
Net periodic benefit income	$ (8)	$ (10)	$ —	$ —
Contributions to benefit plans	$ (1)	$ (1)	$ —	$ —

		39-Week Period Ended					13-Week Period Ended			
		Pension Benefits		Other Postretirement Benefits			Pension Benefits		Other Postretirement Benefits	
(in millions)	*(in millions)*	**April 29, 2023**	**April 30, 2022**	**April 29, 2023**	**April 30, 2022**	*(in millions)*	**October 28, 2023**	**October 29, 2022**	**October 28, 2023**	**October 29, 2022**
Net Periodic Benefit (Income) Cost										
Interest cost	Interest cost	$ 48	$ 29	$ —	$ —	Interest cost	$ 19	$ 17	$ —	$ —
Expected return on plan assets	Expected return on plan assets	(71)	(61)	—	—	Expected return on plan assets	(22)	(24)	—	—
Amortization of prior service cost		—	—	1	2					
Net periodic benefit (income) cost		$ (23)	$ (32)	$ 1	$ 2					
Net periodic benefit income						Net periodic benefit income	$ (3)	$ (7)	$ —	$ —
Contributions to benefit plans	Contributions to benefit plans	$ (1)	$ (1)	$ —	$ (2)	Contributions to benefit plans	$ —	$ —	$ —	$ —

Contributions

No minimum pension contributions are required to be made under to the SUPERVALU INC. Retirement Plan under the Employee Retirement Income Security Act of 1974, as amended, ("ERISA") in fiscal 2023. 2024. The Company expects to contribute approximately $1 million to its other defined benefit pension plans and $1 million to its postretirement benefit plans in fiscal 2023. 2024.

Multiemployer Pension Plans

The Company contributed $13 million and $12 $11 million in the third first quarters of fiscal 2023 2024 and 2022, respectively, and $36 million and $34 million in fiscal 2023, and 2022 year-to-date, respectively, to multiemployer pension plans, which contributions are included within Operating expenses.

NOTE 11—12—INCOME TAXES

The effective tax rate for the third first quarter of fiscal 2023 2024 was a benefit rate of 14.3% 18.8% on pre-tax loss compared to an expense rate of 29.9% 6.9% on pre-tax income for the third first quarter of fiscal 2022. 2023. The change was from the first quarter of fiscal 2023 is primarily driven by the impact reduction of a partnership investment entered into discrete tax benefits related to employee stock award vestings in the third first quarter of fiscal 2024. In addition, the first quarter of fiscal 2023 and included a tax benefit from the reduction release of reserves for unrecognized tax positions that did not recur in pre-tax income during the third first quarter of fiscal 2023.

2024. The primary driver for the variation between the Company's statutory tax rate and its effective tax rate for the first quarters of fiscal 2024 and fiscal 2023 year-to-date was 11.8% compared to 19.9% for fiscal 2022 year-to-date. The change was driven primarily by the impact of a partnership investment entered into in the third quarter of fiscal 2023, and

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the reduction in pre-tax income in fiscal 2023 year-to-date as compared to fiscal 2022 year-to-date. This was partially offset by the lower were discrete tax detriments and benefits, in fiscal 2023 year-to-date related to the vesting of employee stock awards as compared to fiscal 2022 year-to-date. respectively, resulting from share award vestings.

NOTE 12— 13—EARNINGS PER SHARE

The following is a reconciliation of the basic and diluted number of shares used in computing earnings per share:

		13-Week Period Ended		39-Week Period Ended			13-Week Period Ended	
(in millions, except per share data)	*(in millions, except per share data)*	April 29, 2023	April 30, 2022	April 29, 2023	April 30, 2022	*(in millions, except per share data)*	October 28, 2023	October 29, 2022
Basic weighted average shares outstanding	Basic weighted average shares outstanding	59.4	58.4	59.3	57.9	Basic weighted average shares outstanding	58.7	58.8
Net effect of dilutive stock awards based upon the treasury stock method	Net effect of dilutive stock awards based upon the treasury stock method	1.0	2.5	1.7	3.1	Net effect of dilutive stock awards based upon the treasury stock method	—	2.8
Diluted weighted average shares outstanding	Diluted weighted average shares outstanding	60.4	60.9	61.0	61.0	Diluted weighted average shares outstanding	58.7	61.6
Basic earnings per share(1)		$ 0.12	$ 1.15	$ 1.55	$ 3.62			
Diluted earnings per share(1)		$ 0.12	$ 1.10	$ 1.51	$ 3.44			
Basic (loss) earnings per share(1)						Basic (loss) earnings per share(1)	$ (0.67)	$ 1.12
Diluted (loss) earnings per share(1)						Diluted (loss) earnings per share(1)	$ (0.67)	$ 1.07
Anti-dilutive share-based awards excluded from the calculation of diluted earnings per share		0.9	0.5	0.8	0.5			
Anti-dilutive share-based awards excluded from the calculation of diluted (loss) earnings per share						Anti-dilutive share-based awards excluded from the calculation of diluted (loss) earnings per share	2.3	0.9

(1) Earnings (Loss) earnings per share amounts are calculated using actual unrounded figures.

NOTE 13— 14—BUSINESS SEGMENTS

The Company has two reportable segments: Wholesale and Retail. These reportable segments are two distinct businesses, each with a different customer base, marketing strategy and management structure. The Company organizes and operates the Wholesale reportable segment through four three U.S geographic regions: Atlantic; South; Central; East, Central and Pacific; West, and Canada Wholesale, which is operated separately from the U.S. Wholesale business. The U.S. Wholesale and Canada Wholesale operating segments have similar products and services, customer channels, distribution methods and economic characteristics, and therefore have been aggregated into a single reportable segment. Reportable segments are reviewed on an annual basis, or more frequently if events or circumstances indicate a change in reportable segments has occurred.

In the third quarter of fiscal 2023, the Company reversed previously accrued incentive compensation expense due to changes in expected financial performance in the third quarter of fiscal 2023 and recorded this adjustment within its business segments. This had the effect of removing previously allocated incentive compensation expense from fiscal 2023 year-to-date reportable segment Adjusted EBITDA.

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The following table provides information by reportable segment, including Net sales, Adjusted EBITDA, with a reconciliation to Income (Loss) income before income taxes, depreciation and amortization, and payments for capital expenditures:

		13-Week Period Ended		39-Week Period Ended			13-Week Period Ended	
(in millions)	*(in millions)*	April 29, 2023	April 30, 2022	April 29, 2023	April 30, 2022	*(in millions)*	October 28, 2023	October 29, 2022
Net sales:	**Net sales:**					**Net sales:**		
Wholesale(1)	Wholesale(1)	$ 7,235	$ 6,977	$ 22,008	$ 20,843	Wholesale(1)	$ 7,281	$ 7,259
Retail	Retail	598	602	1,871	1,847	Retail	606	613
Other	Other	56	60	172	166	Other	60	60
Eliminations	Eliminations	(382)	(397)	(1,196)	(1,201)	Eliminations	(395)	(400)
Total Net sales	Total Net sales	$ 7,507	$ 7,242	$ 22,855	$ 21,655	Total Net sales	$ 7,552	$ 7,532
Adjusted EBITDA:	**Adjusted EBITDA:**					**Adjusted EBITDA:**		
Wholesale	Wholesale	$ 143	$ 171	$ 451	$ 522	Wholesale	$ 117	$ 171
Retail	Retail	18	14	66	68	Retail	(1)	20
Other	Other	(1)	11	33	27	Other	3	19
Eliminations	Eliminations	(1)	—	(3)	(1)	Eliminations	(2)	(3)
Adjustments:	Adjustments:					Adjustments:		
Net income attributable to noncontrolling interests	Net income attributable to noncontrolling interests	1	1	5	4	Net income attributable to noncontrolling interests	—	1
Net periodic benefit income, excluding service cost	Net periodic benefit income, excluding service cost	8	10	22	30	Net periodic benefit income, excluding service cost	3	7
Interest expense, net	Interest expense, net	(35)	(37)	(109)	(121)	Interest expense, net	(35)	(35)
Other income, net	Other income, net	1	1	2	2	Other income, net	—	1
Depreciation and amortization	Depreciation and amortization	(77)	(72)	(224)	(210)	Depreciation and amortization	(78)	(74)
Share-based compensation	Share-based compensation	(10)	(10)	(33)	(33)	Share-based compensation	(6)	(12)
LIFO charge	LIFO charge	(33)	(72)	(83)	(102)	LIFO charge	(7)	(21)
Restructuring, acquisition and integration related benefits (expenses)		4	(8)	(1)	(16)			
(Loss) gain on sale of assets		(4)	88	—	87			
Multiemployer pension plan withdrawal benefit		—	—	—	8			
Restructuring, acquisition and integration related expenses						Restructuring, acquisition and integration related expenses	(4)	(2)
(Loss) gain on sale of assets and other asset charges						(Loss) gain on sale of assets and other asset charges	(19)	5
Other retail benefit		—	—	—	1			

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Business transformation costs	Business transformation costs	(7)	—	(16)	—	Business transformation costs	(15)	(5)
Income before income taxes		$ 7	$ 97	$ 110	$ 266			
Other adjustments						Other adjustments	(4)	—
(Loss) income before income taxes						(Loss) income before income taxes	$ (48)	$ 72
Depreciation and amortization:	**Depreciation and amortization:**					**Depreciation and amortization:**		
Wholesale	Wholesale	$ 66	$ 64	$ 192	$ 186	Wholesale	$ 67	$ 64
Retail	Retail	9	7	27	22	Retail	8	8
Other	Other	2	1	5	2	Other	3	2
Total depreciation and amortization	Total depreciation and amortization	$ 77	$ 72	$ 224	$ 210	Total depreciation and amortization	$ 78	$ 74
Payments for capital expenditures:	**Payments for capital expenditures:**					**Payments for capital expenditures:**		
Wholesale	Wholesale	$ 64	$ 47	$ 195	$ 145	Wholesale	$ 71	$ 57
Retail	Retail	3	5	23	13	Retail	3	10
Total capital expenditures	Total capital expenditures	$ 67	$ 52	$ 218	$ 158	Total capital expenditures	$ 74	$ 67

(1) As presented in Note 3—Revenue Recognition, the Company recorded $319 million $321 million and $337 million $334 million for the third first quarters of fiscal 2023 2024 and 2022, respectively, and $1,006 million and $1,032 million in fiscal 2023, and 2022 year-to-date, respectively, within Net sales in its Wholesale reportable segment attributable to Wholesale to Retail sales that have been eliminated upon consolidation.

Total assets by reportable segment were as follows:

(in millions)	*(in millions)*	April 29, 2023	July 30, 2022	*(in millions)*	October 28, 2023	July 29, 2023
Assets:	**Assets:**			**Assets:**		
Wholesale	Wholesale	$ 6,656	$ 6,733	Wholesale	$ 6,858	$ 6,405
Retail	Retail	647	599	Retail	649	648
Other	Other	375	335	Other	380	377
Eliminations	Eliminations	(37)	(39)	Eliminations	(39)	(36)
Total assets	Total assets	$ 7,641	$ 7,628	Total assets	$ 7,848	$ 7,394

NOTE 14—15—COMMITMENTS, CONTINGENCIES AND OFF-BALANCE SHEET ARRANGEMENTS

Guarantees and Contingent Liabilities

The Company has outstanding guarantees related to certain leases, fixture financing loans and other debt obligations of various retailers as of April 29, 2023 October 28, 2023. These guarantees were generally made to support the business growth of wholesale customers. The guarantees are generally for the entire terms of the leases, fixture financing loans or other debt obligations with remaining terms that range from less than one year to seven years, with a weighted average remaining term of approximately four years. For each guarantee issued, if the wholesale customer or other third-party defaults on a payment, the Company would be required to make payments under its guarantee. Generally, the guarantees are secured by indemnification agreements or personal guarantees. The Company reviews performance risk related to its guarantee obligations based on internal measures of credit performance. As of April 29, 2023 October 28, 2023, the maximum amount of undiscounted payments the Company would be required to make in the event of default of all guarantees was $16 million $14 million ($14 11 million on a discounted basis). Based on the indemnification agreements, personal guarantees and results of the reviews of performance risk, as of April 29, 2023 October 28, 2023, a total estimated loss of $1 million is recorded in the Condensed Consolidated Balance Sheets.

The Company is a party to a variety of contractual agreements under which it may be obligated to indemnify the other party for certain matters in the ordinary course of business, which indemnities may be secured by operation of law or otherwise. These agreements primarily relate to the Company's commercial contracts, service agreements, contracts entered into for the purchase and sale of stock or assets, operating leases and other real estate contracts, financial agreements, agreements to provide services to the Company and agreements to indemnify officers, directors and employees in the performance of their work. While the Company's aggregate indemnification obligations could result in a material liability, the Company is not aware of any matters that are expected to result in a material liability. No amount has been recorded in the Condensed Consolidated Balance Sheets for these contingent obligations as the fair value has been determined to be de minimis.

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In connection with Supervalu's sale of New Albertson's, Inc. ("NAI") on March 21, 2013, the Company remains contingently liable with respect to certain self-insurance commitments and other guarantees as a result of parental guarantees issued by Supervalu with respect to the obligations of NAI that were incurred while NAI was Supervalu's subsidiary. Based on the expected settlement of the self-insurance claims that underlie the Company's commitments, the Company believes that such contingent liabilities will continue to decline. Subsequent to the sale of NAI, NAI collateralized most of these obligations with letters of credit and surety bonds to numerous state governmental authorities. Because NAI remains a primary obligor on these self-insurance and other obligations and has collateralized most of the self-insurance obligations for which the Company remains contingently liable, the Company believes that the likelihood that it will be required to assume a material amount of these obligations is remote. Accordingly, no amount has been recorded in the Condensed Consolidated Balance Sheets for these guarantees, as the fair value has been determined to be de minimis.

Agreements with Save-A-Lot and Onex

The Agreement and Plan of Merger pursuant to which Supervalu sold the Save-A-Lot business in 2016 (the "SAL Merger Agreement") contains customary indemnification obligations of each party with respect to breaches of their respective representations, warranties and covenants, and certain other specified matters, on the terms and subject to the limitations set forth in the SAL Merger Agreement. Similarly, Supervalu entered into a Separation Agreement (the "Separation Agreement") with Moran Foods, LLC d/b/a Save-A-Lot ("Moran Foods"), which contains indemnification obligations and covenants related to the separation of the assets and liabilities of the Save-A-Lot business from the Company. The Company also entered into a Services Agreement with Moran Foods (the "Services Agreement"), pursuant to which the Company provided Save-A-Lot with various technical, human resources, finance and other operational services. The Company primarily ceased providing services under the Services Agreement in fiscal 2022. The Services Agreement generally requires each party to indemnify the other party against third-party claims arising out of the performance of or the provision or receipt of services under the Services Agreement. While the Company's aggregate indemnification obligations to Save-A-Lot and Onex, the purchaser of Save-A-Lot, could result in a material liability, the Company is not aware of any matters that are expected to result in a material liability. The Company has recorded the de minimis fair value of the guarantee in the Condensed Consolidated Balance Sheets within Other long-term liabilities.

Other Contractual Commitments

In the ordinary course of business, the Company enters into supply contracts to purchase products for resale and service contracts for fixed asset and information technology systems. These contracts typically include either volume commitments or fixed expiration dates, termination provisions and other standard contractual considerations. As of April 29, 2023 October 28, 2023, the Company had approximately $524 million $606 million of non-cancelable future purchase obligations, most of which will be paid and utilized in the ordinary course within one year.

As of April 29, 2023 October 28, 2023, the Company had commitments of $772 $778 million for future undiscounted minimum lease payments on leases signed but not yet commenced with terms of up to 20 21 years from commencement date.

Legal Proceedings

The Company is one of dozens of companies that have been named in various lawsuits alleging that drug manufacturers, retailers and distributors contributed to the national opioid epidemic. Currently, UNFI, primarily through its subsidiary, Advantage Logistics, is named in approximately 43 suits pending in the United States District Court for the Northern District of Ohio where thousands of cases have been consolidated as Multi-District Litigation ("MDL"). In accordance with the Stock Purchase Agreement dated January 10, 2013, between New Albertson's Inc. ("New Albertson's") and the Company (the "Stock Purchase Agreement"), New Albertson's is defending and indemnifying UNFI in a majority of the cases under a reservation of rights as those cases relate to New Albertson's pharmacies. In one of the MDL cases, MDL No. 2804 filed by The Blackfeet Tribe of the Blackfeet Indian Reservation, all defendants were ordered to Answer the Complaint, which UNFI did on July 26, 2019. To date, no discovery has been conducted against UNFI in any of the actions. On October 7, 2022, the MDL Court issued an order directing the Company and numerous other "non-litigating" defendants to submit by November 1, 2022, a list of opioid cases where the Company is named and opioid dispensing and distribution data. The Company produced the data in compliance with the order. On March 8, 2023, the Company received a subpoena from the Consumer Protection Division of the Maryland Attorney General's Office seeking records related to the distribution and dispensing of opioids. The On May 19, 2023, the Company provided an initial production in response to the subpoena and is in the process of gathering additional responsive documents and responding to the subpoena. documents. The Company believes these claims are without merit and is intends to vigorously defending defend this matter.

On January 21, 2021, various health plans filed a complaint in Minnesota state court against the Company, Albertson's Companies, LLC ("Albertson's") and Safeway, Inc. alleging the defendants committed fraud by improperly reporting inflated prices for prescription drugs for members of health plans. The Plaintiffs assert six causes of action against the defendants: common law fraud, fraudulent nondisclosure, negligent misrepresentation, unjust enrichment, violation of the Minnesota Uniform Deceptive Trade Practices Act and violation of the Minnesota Prevention of Consumer Fraud Act. The plaintiffs allege that between 2006 and 2016, Supervalu overcharged the health plans by not providing the health plans, as part of usual and customary prices, the benefit of discounts given to customers purchasing prescription medication who requested that Supervalu match competitor prices. Plaintiffs seek an unspecified amount of damages. Similar to the above case, for the majority of the relevant period Supervalu and Albertson's operated as a combined company. In March 2013, Supervalu divested Albertson's and pursuant to the Stock Purchase Agreement, Albertson's is responsible for any claims regarding its pharmacies. On February 19, 2021, Albertson's and Safeway removed the case to Minnesota Federal District Court, and on March 22, 2021, plaintiffs filed a motion to remand to state court. On February 26, 2021, defendants filed a motion to dismiss. The hearing on the remand motion and motions to dismiss occurred on May 20, 2021. On September 21, 2021, the Federal District Court remanded the

case to Minnesota state court and did not rule on the motion to dismiss, which was refiled in state court. On February 1, 2022, the state court denied the motion to dismiss. On November 27, 2023, the court held a scheduling conference and will enter a scheduling order setting various discovery and expert deadlines. The Company anticipates the trial date

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will be set for July 21, 2025. The Company believes these claims are without merit and is vigorously defending this matter.

UNFI is currently subject to a qui tam action alleging violations of the False Claims Act ("FCA"). In United States ex rel. Schutte and Yarberry v. Supervalu, New Albertson's, Inc., et al, which is pending in the U.S. District Court for the Central District of Illinois, the relators allege that defendants overcharged government healthcare programs by not providing the government, as a part of usual and customary prices, the benefit of discounts given to customers purchasing prescription medication who requested that defendants match competitor prices. The complaint was originally filed under seal and amended on November 30, 2015. The government previously investigated the relators' allegations and declined to intervene. Violations of the FCA are subject to treble damages and penalties of up to a specified dollar amount per false claim. Relators The relators elected to pursue the case on their own and have alleged FCA damages against Supervalu and New Albertson's in excess of $100 million, not including trebling and statutory penalties. For the majority of the relevant period Supervalu and New Albertson's operated as a combined company. In March 2013, Supervalu divested New Albertson's (and related assets) pursuant to the Stock Purchase Agreement. Based on the claims that are currently pending and the Stock Purchase Agreement, Supervalu's share of a potential award (at the currently claimed value by the relators) would be approximately $24 million, not including trebling and statutory penalties. Both sides moved for summary judgment. On August 5, 2019, the Court granted one of the relators' summary judgment motions finding that the defendants' lower matched prices are the usual and customary prices and that Medicare Part D and Medicaid were entitled to those prices. On July 2, 2020, the Court granted the defendants' summary judgment motion and denied the relators' motion, dismissing the case. On July 9, 2020, the relators filed a notice of appeal with the Seventh Circuit Court of Appeals. On August 12, 2021, the Seventh Circuit affirmed the District Court's decision granting summary judgment in defendants' favor. On September 23, 2021, the relators filed a petition for rehearing. On December 3, 2021, the Seventh Circuit denied the petition for rehearing. On April 1, 2022, the relators filed a petition for a writ of certiorari with the United States Supreme Court which was granted on January 13, 2023. Oral argument took place in the Supreme Court on April 18, 2023. On June 1, 2023, the Supreme Court reversed and vacated the lower court's judgment and remanded the case to the Seventh Circuit for further proceedings. On July 27, 2023, the Seventh Circuit vacated the summary judgment order and remanded the case to the District Court. On August 22, 2023, the District Court set the trial date for April 29, 2024. On October 11, 2023, each of the Company and the relators filed a motion for summary judgment. Responses to the motions were filed on October 21, 2023, and replies are due December 15, 2023.

From time to time, the Company receives notice of claims or potential claims or becomes involved in litigation, alternative dispute resolution, such as arbitration, or other legal and regulatory proceedings that arise in the ordinary course of its business, including investigations and claims regarding employment law, including wage and hour (including class actions); pension plans; labor union disputes, including unfair labor practices, such as claims for back-pay in the context of labor contract negotiations and other matters; supplier, customer and service provider contract terms and claims, including matters related to supplier or customer insolvency or general inability to pay obligations as they become due; product liability claims, including those where the supplier may be insolvent and customers or consumers are seeking recovery against the Company; real estate and environmental matters, including claims in connection with its ownership and lease of a substantial amount of real property, both retail and warehouse properties; and antitrust. Other than as described above, there are no pending material legal proceedings to which the Company is a party or to which its property is subject.

Predicting the outcomes of claims and litigation and estimating related costs and exposures involves substantial uncertainties that could cause actual outcomes, costs and exposures to vary materially from current expectations. Management regularly monitors the Company's exposure to the loss contingencies associated with these matters and may from time to time change its predictions with respect to outcomes and estimates with respect to related costs and exposures. As of April 29, 2023 October 28, 2023, no material accrued obligations, individually or in the aggregate, have been recorded for these legal proceedings.

Although management believes it has made appropriate assessments of potential and contingent loss in each of these cases based on current facts and circumstances, and application of prevailing legal principles, there can be no assurance that material differences in actual outcomes from management's current assessments, costs and exposures relative to current predictions and estimates, or material changes in such predictions or estimates will not occur. The occurrence of any of the foregoing could have a material adverse effect on the Company's financial condition, results of operations or cash flows.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS FOR PURPOSES OF THE SAFE HARBOR PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT

This Quarterly Report contains forward-looking statements within the meaning of Section 27A of the Securities Act, and Section 21E of the Exchange Act, that involve substantial risks and uncertainties. In some cases you can identify these statements by forward-looking words such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "seek," "should," "will" and "would," or similar words. Statements that contain these words and other statements that are forward-looking in nature should be read carefully because they discuss future expectations, contain projections of future results of operations or of financial positions or state other "forward-looking" information.

Forward-looking statements involve inherent uncertainty and may ultimately prove to be incorrect. These statements are based on our management's beliefs and assumptions, which are based on currently available information. These assumptions could prove inaccurate. You are cautioned not to place undue reliance on forward-looking statements. Except as otherwise may be required by law, we undertake no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or actual operating results. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including, but not limited to:

- our dependence on principal customers;
- the relatively low margins of our business, which are sensitive to inflationary and deflationary pressures; pressures and intense competition, including as a result of the continuing consolidation of retailers and the growth of consumer choices for grocery and consumable purchases;
- our ability to realize the anticipated benefits of our transformation initiatives;
- changes in relationships with our suppliers;

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- our ability to operate, and rely on third parties to operate, reliable and secure technology systems;
- our ability to realize anticipated benefits of our strategic initiatives, including any acquisitions;
- labor and other workforce shortages and challenges;
- the addition or loss of significant customers or material changes to our relationships with these customers;
- our sensitivity ability to general economic conditions including inflation, changes in disposable income levels and consumer spending trends;
- the impact and duration realize anticipated benefits of any pandemics or disease outbreaks; our acquisitions;
- our ability to continue to grow sales, including of our higher margin natural and organic foods and non-food products, and to manage that growth;
- increased competition our ability to maintain sufficient volume in our industry, wholesale segment to support our operating infrastructure;
- the impact and duration of any pandemics or disease outbreaks;
- our ability to access additional capital;
- increases in healthcare, pension and other costs under our and multiemployer benefit plans;
- the potential for additional asset impairment charges;
- our sensitivity to general economic conditions including as a result of continuing consolidation of retailers inflation, changes in disposable income levels and the growth of chains, direct distribution by large retailers and the growth of online distributors; consumer purchasing habits;
- our ability to timely and successfully deploy our warehouse management system throughout our distribution centers and our transportation management system across the Company and to achieve efficiencies and cost savings from these efforts;
- the potential for disruptions in our supply chain or our distribution capabilities from circumstances beyond our control, including due to lack of long-term contracts, severe weather, labor shortages or work stoppages or otherwise;
- moderated supplier promotional activity, including decreased forward buying opportunities;
- union-organizing activities that could cause labor relations difficulties and increased costs;
- the potential for additional asset impairment charges;
- our ability to maintain food quality and safety; and
- volatility in fuel costs;
- volatility in foreign exchange rates; and
- our ability to identify and successfully complete asset or business acquisitions.

You should carefully review the risks described under "Part I. "Risk Factors" included in Part I, Item 1A Risk Factors" of our Annual Report on Form 10-K for the year ended July 30, 2022 July 29, 2023 (the "Annual Report"), as well as any other cautionary language in this Quarterly Report, as the occurrence of any of these events could have an adverse effect, which may be material, on our business, results of operations, financial condition or cash flows.

EXECUTIVE OVERVIEW

This Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the unaudited Condensed Consolidated Financial Statements and notes thereto contained in this Quarterly Report on Form 10-Q, the information contained under the caption "Forward-Looking "Cautionary Note Regarding Forward-Looking Statements," and the information in the Annual Report.

Business Overview

UNFI is a leading distributor of grocery and non-food products, and support services provider to retailers in the United States and Canada. We believe we are uniquely positioned to provide the broadest array of products and services to customers throughout North America. Our diversified customer base includes over 30,000 customer locations ranging from some of the largest grocers in the country to smaller independents. independents as well. We offer approximately 260,000 250,000 products consisting of national, regional and private label brands grouped into six the following main product categories: grocery and general merchandise; produce; perishables and perishables; frozen foods; nutritional supplements wellness and sports nutrition; personal care items; and bulk and foodservice products; and personal care items. products. We believe we are North America's premier grocery wholesaler with 56 54 distribution centers and warehouses representing approximately 30 million square feet of warehouse space. We are a coast-to-coast distributor with customers in all 50 states as well as all ten provinces in Canada, making us a desirable partner for retailers and consumer product manufacturers. We believe our total product assortment and service offerings are unmatched by our wholesale competitors. We plan to continue to pursue new business opportunities with independent retailers that operate diverse formats, regional and national chains, as well as international customers with wide-ranging needs. Our business is classified into two reportable segments: Wholesale and Retail; and also includes a manufacturing division and a branded product line division.

We are focused on executing our transformation strategy, which we believe will position us for long-term profitable growth. Our enterprise-wide business transformation program strategy consists of four areas: network automation and optimization; commercial value creation; digital offering enhancement and infrastructure unification and modernization. These four areas represent the next evolution of our business strategy. To enable this business transformation, we have engaged consultants and brought in new recruited leadership with transformation experience to upgrade and modernize our technology and platforms to better serve our customers.

We are also working on implementing near-term initiatives to help improve profitability while we execute our longer-term initiatives. strategy. These include actioning administrative structure efficiencies, reprioritizing our selling and administrative spending, optimizing our stock-keeping unit ("SKU") assortment as well as reviewing commercial contract reviews contracts in collaboration with our customers and suppliers.

We expect to continue to use available capital to re-invest in our business and to reduce outstanding debt, and we remain committed to improving our financial leverage and reducing outstanding debt over the long term. The decline in our financial leverage in recent years offers us increased financial flexibility.

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We believe we can enhance our profitability and accelerate our growth through our transformation efforts, which we expect will improve our cost structure, increase sales of products and services, and position us to provide tailored, data-driven solutions to help our customers run their businesses more efficiently and contribute to customer acquisitions. We believe the key drivers for value creation will be improved efficiency through the automation and optimization of our supply chain, as well as new customer growth will be associated with the benefits of our significant scale, product and service offerings and nationwide footprint.

Trends and Other Factors Affecting our Business

Our results are impacted by macroeconomic and demographic trends, changes in the food distribution market structure and changes in consumer behavior. We believe food-at-home expenditures as a percentage of total food expenditures are subject to these trends, including changes in consumer behaviors in response to social and economic trends, such as levels of disposable income and the health of the economy in which our customers and our stores operate.

The U.S. economy has experienced economic volatility in recent years, which has had, and we expect may continue to have, an impact on consumer confidence. Consumer spending may continue to be impacted by levels of discretionary income and consumers trading down to a less expensive mix of products for grocery items or buying fewer items. In addition, inflation remains at elevated levels and continues to be unpredictable. For example, we experienced volatility in affect our energy operating costs, business, and fluctuating commodity and labor input costs may continue to impact the prices of products we procure from manufacturers. We believe our product mix, which ranges from high-quality natural and organic products to national and local conventional brands, including cost conscious private label brands, positions us to serve a broad cross section of North American retailers and end customers, and may lessen the impact of any further shifts in consumer and industry trends in grocery product mix.

We are also impacted by changes in food distribution trends affecting our Wholesale customers, such as direct store deliveries and other methods of distribution. Our Wholesale customers manage their businesses independently and operate in a competitive environment.

Wholesale Distribution Center Network

We evaluate our distribution center network to optimize performance and expect to incur incremental expenses related to any future network realignment, expansion or improvements, including initiatives under the network automation and optimization pillar of our transformation agenda. We are working to both minimize these potential future costs and obtain new business to further improve the efficiency of our transforming distribution network.

In fiscal 2022, our Allentown, Pennsylvania distribution center began operations, with a capacity of 1.3 million square feet to service customers in the surrounding geographic area. We incurred start-up costs and operating losses, as the volume in this facility continues to ramp up to its operating capacity.

Retail Operations

We currently operate 78 Retail 79 retail grocery stores, including 54 Cub Foods corporate stores and 24 25 Shoppers Food Warehouse stores. In addition, we supply another 26 Cub Foods stores operated by our Wholesale customers through franchise and equity ownership arrangements. We operate 81 pharmacies primarily within the stores we operate and the stores of our franchisees. In addition, we operate 25 “Cub Wine and Spirit” and “Cub Liquor” stores.

We plan to continue to invest in our Retail segment in areas such as customer-facing merchandising initiatives, physical facilities, technology and operational tools. Cub Foods and Shoppers Food Warehouse anticipate continued investment in improving the customer and associate experience through express remodels focused on customer facing elements.

Impact of Product Cost Inflation

We experienced a mix of inflation across product categories during the third first quarter of fiscal 2023. 2024. In the aggregate across our businesses, including the mix of products, management estimates our businesses experienced product cost inflation of approximately eight three percent in the third first quarter of fiscal 2023, 2024 as compared to the third first quarter of fiscal 2022. 2023. Cost inflation estimates are based on individual like items sold during the periods being compared. Changes in merchandising, customer buying habits and competitive pressures create inherent difficulties in measuring the impact of inflation on Net sales and Gross profit. Absent any changes in units sold or the mix of units sold, inflation generally has the effect of increasing sales. Under the last-in, first out (“LIFO”) method of inventory accounting, product cost increases are recognized within Cost of sales based on expected year-end inventory quantities and costs, which generally has the effect of decreasing Gross profit and the carrying value of inventory during periods of inflation.

Our pricing to our customers is determined at the time of sale primarily based on the then prevailing vendor listed base cost, and includes discounts we offer to our customers. Generally, in an inflationary environment as a wholesaler, rising vendor costs result in higher Net sales driven by higher vendor prices when other variables such as quantities sold and vendor promotions are constant. In the third first quarter of fiscal 2023, 2024, we experienced fewer and less significant vendor product cost increases as compared to the third first quarter of fiscal 2022. 2023. These decreases negatively impacted our gross profit rate when comparing the third first quarter of fiscal 2023 2024 to the third first quarter of fiscal 2022. 2023.

Composition of Condensed Consolidated Statements of Operations and Business Performance Assessment

Net sales Sales

Our Net sales consist primarily of product sales of natural, organic, specialty, produce, and conventional grocery and non-food products, and support services revenue from retailers, adjusted for customer volume discounts, vendor incentives when applicable, returns and allowances, and professional services revenue. Net sales also include amounts charged by us to customers for shipping and handling and fuel surcharges.

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Cost of sales Sales and Gross profit Profit

The principal components of our Cost of sales include the amounts paid to suppliers for product sold, plus transportation costs necessary to bring the product to, or move product between, our distribution centers and retail stores, partially offset by consideration received from suppliers in connection with the purchase or promotion of the suppliers' products.

Operating expenses Expenses

Operating expenses include distribution expenses of warehousing, delivery, purchasing, receiving, selecting, and outbound transportation expenses, and selling and administrative expenses. These expenses include salaries and wages, employee benefits, occupancy, insurance, depreciation and amortization expense and share-based compensation expense.

Restructuring, acquisition Acquisition and integration related (benefits) expenses Integration Related Expenses

Restructuring, acquisition and integration related (benefits) expenses reflect expenses resulting from restructuring activities, including severance costs, facility closure asset impairment charges and costs, share-based compensation acceleration charges and acquisition and integration related expenses. Integration related expenses include certain professional consulting expenses and incremental expenses related to combining facilities required to optimize our distribution network as a result of acquisitions.

Loss (Gain) on Sale of Assets and Other Asset Charges

Loss (gain) on sale of assets and other asset charges primarily includes losses (gains) on sales of assets, losses on sales of financial assets, and asset impairments.

Net periodic benefit income, excluding service cost Periodic Benefit Income, Excluding Service Cost

Net periodic benefit income, excluding service cost reflects the recognition of expected returns on benefit plan assets and interest costs on plan liabilities.

Interest expense, net Expense, Net

Interest expense, net includes primarily interest expense on long-term debt, net of capitalized interest, loss on debt extinguishment, interest expense on finance lease obligations, amortization of financing costs and discounts, and interest income.

Adjusted EBITDA

Our Condensed Consolidated Financial Statements are prepared and presented in accordance with generally accepted accounting principles in the United States ("GAAP"). In addition to the GAAP results, we consider certain non-GAAP financial measures to assess the performance of our business and understand underlying operating performance and core business trends, which we use to facilitate operating performance comparisons of our business on a consistent basis over time. Adjusted EBITDA is provided as a supplement to our results of operations and related analysis, and should not be considered superior to, a substitute for or an alternative to, any financial measure of performance prepared and presented in accordance with GAAP. Adjusted EBITDA excludes certain items because they are non-cash items or items that do not reflect management's assessment of ongoing business performance.

We believe Adjusted EBITDA is useful to investors and financial institutions because it provides additional information regarding factors and trends affecting our business, which are used in the business planning process to understand expected operating performance, to evaluate results against those expectations, and because of its importance as a measure of underlying operating performance, as the primary compensation performance measure under certain compensation programs and plans. We believe Adjusted EBITDA is reflective of factors that affect our underlying operating performance and facilitate operating performance comparisons of our business on a consistent basis over time. Investors are cautioned that there are material limitations associated with the use of non-GAAP financial measures as an analytical tool. Certain adjustments to our GAAP financial measures reflected below exclude items that may be considered recurring in nature and may be reflected in our financial results for the foreseeable future. These measurements and items may be different from non-GAAP financial measures used by other companies. Adjusted EBITDA should be reviewed in conjunction with our results reported in accordance with GAAP in this Quarterly Report on Form 10-Q.

There are significant limitations to using Adjusted EBITDA as a financial measure including, but not limited to, it not reflecting the cost of cash expenditures for capital assets or certain other contractual commitments, finance lease obligation and debt service expenses, income taxes and any impacts from changes in working capital.

We define Adjusted EBITDA as a consolidated measure which we reconcile by adding Net (loss) income (loss) including noncontrolling interests, less Net income attributable to noncontrolling interests, plus non-operating Non-operating income and expenses, including Net periodic benefit income, excluding service cost, Interest expense, net and Other (income) expense, net, plus Provision (benefit) (Benefit) provision for income taxes and Depreciation and amortization all calculated in accordance with GAAP, plus adjustments for Share-based compensation, non-cash LIFO charge or benefit, Restructuring, acquisition and integration related expenses, Goodwill impairment charges, (Gain) loss Loss (gain) on sale of assets and other asset charges, certain legal charges and gains, and certain other non-cash charges or other items, as determined by management. The changes to the definition of Adjusted EBITDA from prior periods reflect changes to line item references in our Consolidated Financial Statements, which do not impact the calculation of Adjusted EBITDA.

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Assessment of Our Business Results

The following table sets forth a summary of our results of operations and Adjusted EBITDA for the periods indicated.

		13-Week Period Ended			39-Week Period Ended				13-Week Period Ended		
(in millions)	*(in millions)*	April 29, 2023	April 30, 2022	Change	April 29, 2023	April 30, 2022	Change	*(in millions)*	October 28, 2023	October 29, 2022	Change
Net sales	Net sales	$ 7,507	$ 7,242	$ 265	$ 22,855	$ 21,655	$ 1,200	Net sales	$ 7,552	$ 7,532	$ 20
Cost of sales	Cost of sales	6,507	6,230	277	19,690	18,526	1,164	Cost of sales	6,522	6,436	86
Gross profit	Gross profit	1,000	1,012	(12)	3,165	3,129	36	Gross profit	1,030	1,096	(66)
Operating expenses	Operating expenses	967	969	(2)	2,969	2,845	124	Operating expenses	1,023	1,000	23
Restructuring, acquisition and integration related (benefits) expenses		(4)	8	(12)	1	16	(15)				
Loss (gain) on sale of assets		4	(88)	92	—	(87)	87				
Operating income		33	123	(90)	195	355	(160)				
Restructuring, acquisition and integration related expenses								Restructuring, acquisition and integration related expenses	4	2	2
Loss (gain) on sale of assets and other asset charges								Loss (gain) on sale of assets and other asset charges	19	(5)	24
Operating (loss) income								Operating (loss) income	(16)	99	(115)
Net periodic benefit income, excluding service cost	Net periodic benefit income, excluding service cost	(8)	(10)	2	(22)	(30)	8	Net periodic benefit income, excluding service cost	(3)	(7)	4
Interest expense, net	Interest expense, net	35	37	(2)	109	121	(12)	Interest expense, net	35	35	—
Other income, net	Other income, net	(1)	(1)	—	(2)	(2)	—	Other income, net	—	(1)	1
Income before income taxes		7	97	(90)	110	266	(156)				
(Loss) income before income taxes								(Loss) income before income taxes	(48)	72	(120)
(Benefit) provision for income taxes	(Benefit) provision for income taxes	(1)	29	(30)	13	53	(40)	(Benefit) provision for income taxes	(9)	5	(14)
Net income including noncontrolling interests		8	68	(60)	97	213	(116)				
Net (loss) income including noncontrolling interests								Net (loss) income including noncontrolling interests	(39)	67	(106)
Less net income attributable to noncontrolling interests	Less net income attributable to noncontrolling interests	(1)	(1)	—	(5)	(4)	(1)	Less net income attributable to noncontrolling interests	—	(1)	1
Net income attributable to United Natural Foods, Inc.		$ 7	$ 67	$ (60)	$ 92	$ 209	$ (117)				

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Net (loss) income attributable to United Natural Foods, Inc.							Net (loss) income attributable to United Natural Foods, Inc.	$ (39)	$ 66	$ (105)
Adjusted EBITDA	$ 159	$ 196	$ (37)	$ 547	$ 616	$ (69)	Adjusted EBITDA	$ 117	$ 207	$ (90)

The following table reconciles Net (loss) income including noncontrolling interests to Adjusted EBITDA:

	13-Week Period Ended		39-Week Period Ended		13-Week Period Ended	
(in millions)	April 29, 2023	April 30, 2022	April 29, 2023	April 30, 2022	October 28, 2023	October 29, 2022
Net income including noncontrolling interests	$ 8	$ 68	$ 97	$ 213		
Adjustments to net income including noncontrolling interests:						
Net (loss) income including noncontrolling interests					$ (39)	$ 67
Adjustments to net (loss) income including noncontrolling interests:						
Less net income attributable to noncontrolling interests	(1)	(1)	(5)	(4)	—	(1)
Net periodic benefit income, excluding service cost	(8)	(10)	(22)	(30)	(3)	(7)
Interest expense, net	35	37	109	121	35	35
Other income, net	(1)	(1)	(2)	(2)	—	(1)
(Benefit) provision for income taxes	(1)	29	13	53	(9)	5
Depreciation and amortization	77	72	224	210	78	74
Share-based compensation	10	10	33	33	6	12
LIFO charge	33	72	83	102	7	21
Restructuring, acquisition and integration related (benefits) expenses	(4)	8	1	16		
Loss (gain) on sale of assets[1]	4	(88)	—	(87)		
Multiemployer pension plan withdrawal benefit[2]	—	—	—	(8)		
Other retail benefit[3]	—	—	—	(1)		
Business transformation costs[4]	7	—	16	—		
Restructuring, acquisition and integration related expenses					4	2

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	Loss (gain) on sale of assets and other asset charges (1)					Loss (gain) on sale of assets and other asset charges (1)	19	(5)
	Business transformation costs (2)					Business transformation costs (2)	15	5
	Other adjustments (3)					Other adjustments (3)	4	—
Adjusted EBITDA	Adjusted EBITDA	$ 159	$ 196	$ 547	$ 616	Adjusted EBITDA	$ 117	$ 207

(1) Fiscal 2022 primarily reflects the gain on sale of our Riverside, California distribution center in the third The first quarter of fiscal 2022. 2024 includes a $21 million non-cash asset impairment charge related to one of our corporate-owned office locations.

(2) Reflects an adjustment to multiemployer pension plan withdrawal charge estimates. costs associated with business transformation initiatives, primarily including third-party consulting costs and licensing costs, which are included within Operating expenses in the Condensed Consolidated Statements of Operations.

(3) Reflects an insurance recovery associated with event-specific damages Primarily reflects third-party professional service fees related to certain retail stores and store closure costs.

(4) Reflects third-party costs primarily for business transformation initiatives, including network automation and optimization, commercial value creation, digital offering enhancement and infrastructure unification and modernization. shareholder negotiations.

RESULTS OF OPERATIONS

Net Sales

Our Net sales by customer channel was as follows (in millions except percentages):

		13-Week Period Ended		Increase (Decrease)		39-Week Period Ended		Increase (Decrease)			13-Week Period Ended		Increase (Decrease)	
Customer Channel(1)	**Customer Channel(1)**	**April 29, 2023**	**April 30, 2022**	**$**	**%**	**April 29, 2023**	**April 30, 2022**	**$**	**%**	**Customer Channel(1)**	**October 28, 2023**	**October 29, 2022**	**$**	**%**
Chains	Chains	$ 3,129	$ 3,111	$ 18	0.6 %	$ 9,675	$ 9,436	$ 239	2.5 %	Chains	$ 3,184	$ 3,224	$ (40)	(1.2) %
Independent retailers	Independent retailers	1,875	1,833	42	2.3 %	5,802	5,488	314	5.7 %	Independent retailers	1,899	1,947	(48)	(2.5) %
Supernatural	Supernatural	1,647	1,468	179	12.2 %	4,819	4,299	520	12.1 %	Supernatural	1,612	1,513	99	6.5 %
Retail	Retail	598	602	(4)	(0.7) %	1,871	1,847	24	1.3 %	Retail	606	613	(7)	(1.1) %
Other	Other	640	625	15	2.4 %	1,884	1,786	98	5.5 %	Other	646	635	11	1.7 %
Eliminations	Eliminations	(382)	(397)	15	(3.8) %	(1,196)	(1,201)	5	(0.4) %	Eliminations	(395)	(400)	5	(1.3) %
Total net sales	Total net sales	$ 7,507	$ 7,242	$ 265	3.7 %	$ 22,855	$ 21,655	$ 1,200	5.5 %	Total net sales	$ 7,552	$ 7,532	$ 20	0.3 %

(1) Refer to Note 3—Revenue Recognition in Part 1, Item 1 of this Quarterly Report on Form 10-Q for our channel definitions and additional information.

Third Quarter

Our Net sales for the third first quarter of fiscal 2023 2024 increased approximately 3.7% 0.3% from the third first quarter of fiscal 2022. 2023. The increase in Net sales was primarily driven by inflation and new business. This new business resulted from selling new or expanded categories to with existing customers, and adding new customers. primarily resulting from growth in our Supernatural channel. These increases were partially offset by a decrease in units sold.

Chains and Independent retailers Net sales increased primarily due to growth in sales to existing and new customers, including an increase from higher product costs, which drove higher wholesale selling prices to our customers, partially offset by a decrease in units sold.

Supernatural Net sales increased primarily due to growth in existing store sales, including the supply of new fresh categories, inflation, and increased sales to new stores, partially largely offset by a decrease in units sold.

Retail Net sales decreased primarily due to a 2.0% 3.2% decrease in identical store sales from lower volume, offset by higher average basket sizes driven by inflation.

Other Net sales increased primarily due to higher Military sales.

Year-to-Date

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Our Net sales for fiscal 2023 year-to-date increased approximately 5.5% from fiscal 2022 year-to-date. The increase in Net sales was primarily driven by inflation and new business. This new business resulted from selling new or expanded categories to existing customers and adding new customers. These increases were partially offset by a decrease in units sold.

Chains Net sales increased primarily due to growth in sales to existing and new customers, including an increase from higher product costs, which drove higher wholesale selling prices to our customers, partially offset by a decrease in units sold.

Independent retailers Net sales increased primarily due to increased sales under a supply agreement with a new customer within the Atlantic region commencing in the first quarter of fiscal 2022 and growth in sales to existing customers, including an increase from higher product costs, which drove higher wholesale selling prices to our customers, partially offset by a decrease in units sold.

Supernatural Net sales increased primarily due to growth in existing store sales, including the supply of new fresh categories, inflation, and increased sales to new stores, partially offset by a decrease in units sold.

Retail Net sales increased primarily due to new store sales and a 0.3% increase in identical store sales from higher average basket sizes driven by inflation, partially offset by lower volume.

Other Net sales increased primarily due to higher Military and eCommerce sales.

Cost of Sales and Gross Profit

Our gross profit decreased $12 million $66 million, or 1.2% 6.0%, to $1,000 million $1,030 million for the third first quarter of fiscal 2023, 2024, from $1,012 million $1,096 million for the third first quarter of fiscal 2022. 2023. Our gross profit as a percentage of Net sales decreased to 13.3% 13.6% for the third first quarter of fiscal 2023 2024 compared to 14.0% 14.6% for the third first quarter of fiscal 2022. 2023. The LIFO charge was $33 million $7 million and $72 million $21 million in the third first quarter of fiscal 2023 2024 and 2022, 2023, respectively. Excluding the non-cash LIFO charge, gross profit rate was 13.8% 13.7% of Net sales and 15.0% 14.8% of Net sales for the third first quarter of fiscal 2023 2024 and 2022 2023, respectively. The decrease in gross profit rate, excluding the LIFO charge, was primarily driven by the volatile macroeconomic environment, which led to lower inflationary benefits and reduced procurement gains. Gross profit also reflects higher levels of shrink and costs related to operational improvements.

Our gross profit increased $36 million, or 1.2% to $3,165 million for fiscal 2023 year-to-date, from $3,129 million for fiscal 2022 year-to-date. Our gross profit as a percentage of Net sales decreased to 13.8% for fiscal 2023 year-to-date compared to 14.4% for fiscal 2022 year-to-date. The LIFO charge was $83 million and $102 million for fiscal 2023 and fiscal 2022 year-to-date, respectively. Excluding the non-cash LIFO charge, gross profit rate was 14.2% of Net sales and 14.9% of Net sales for fiscal 2023 and fiscal 2022 year-to-date, respectively. The decrease in gross profit rate, excluding LIFO charge, was driven by reduced levels of procurement gains due to the resulting from decelerating rate of inflation and the volatile macroeconomic environment, lower inventory gains, higher shrink expense and customer mix. inflation.

Operating Expenses

Operating expenses decreased $2 million increased $23 million, or 0.2% 2.3%, to $967 million $1,023 million, or 12.9% 13.5% of Net sales, for the third first quarter of fiscal 2023 2024 compared to $969 million $1,000 million, or 13.4% 13.3% of Net sales, for the third first quarter of fiscal 2022. 2023. The increase in Operating expenses in the third quarter of fiscal 2023 included a benefit of approximately $20 million resulting from the reversal of previously accrued incentive compensation expense driven by underperformance compared to targets, which was partially offset by higher occupancy-related costs. Operating expenses in the third quarter of fiscal 2022 included approximately $15 million in incentive compensation expense.

Operating expenses increased $124 million, or 4.4%, to $2,969 million, or 13.0% of Net sales, for fiscal 2023 year-to-date compared to $2,845 million, or 13.1% of Net sales, for fiscal 2022 year-to-date. The decrease in operating expenses as a percent percentage of Net sales was primarily driven by approximately $40 million lower incentive compensation expense investments in fiscal 2023 year-to-date, our transformation initiatives, partially offset by higher occupancy-related costs. lower transportation and distribution center labor costs due to increased operational efficiencies across our supply chain and a decrease in volume.

Loss (Gain) on Sale of Assets and Other Asset Charges

During Loss on sale of assets and other asset charges was $19 million in the third first quarter of fiscal 2022, we acquired the real property of our Riverside, California distribution center for approximately $153 million. Immediately following this acquisition, we monetized this property through 2024, compared to a sale-leaseback transaction, pursuant to which we received $225 million in aggregate proceeds for the sale of the property, which represented the fair value of the property. Under the terms of the sale-leaseback agreement, we entered into a lease for the distribution center for a term of 15 years. We recorded a pre-tax gain on sale of approximately $87 million in assets of $5 million for the third first quarter of fiscal 2022 as 2023. The first quarter of fiscal 2024 primarily includes a result $21 million asset impairment charge related to one of the transactions, which primarily reflects the pre-tax net proceeds. our corporate-owned office locations. There were no asset impairment charges in the first quarter of fiscal 2023.

Operating (Loss) Income

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Reflecting the factors described above, Operating income decreased $90 million loss increased $115 million to $33 million $16 million for the third first quarter of fiscal 2023, 2024, compared to $123 million operating income of $99 million for the third first quarter of fiscal 2022. 2023. The decrease increase in operating income loss was primarily driven by a decrease in gain Gross profit, a loss on sale of assets and gross profit, partially offset by other asset charges in the first quarter of fiscal 2024 compared to a decrease gain in operating expenses as described above.

Reflecting the factors described above, Operating income decreased $160 million, to $195 million for first quarter of fiscal 2023, year-to-date, compared to $355 million for fiscal 2022 year-to-date. The decrease in operating income was primarily driven by and an increase in operating Operating expenses, in excess of an increase in gross profit and a decrease in gain on sale of assets each as described above.

Interest Expense, Net

		13-Week Period Ended		39-Week Period Ended			13-Week Period Ended	
(in millions)	*(in millions)*	**April 29, 2023**	**April 30, 2022**	**April 29, 2023**	**April 30, 2022**	*(in millions)*	**October 28, 2023**	**October 29, 2022**
Interest expense on long-term debt, net of capitalized interest	Interest expense on long-term debt, net of capitalized interest	$ 33	$ 32	$ 98	$ 95	Interest expense on long-term debt, net of capitalized interest	$ 33	$ 32
Interest expense on finance lease obligations	Interest expense on finance lease obligations	1	1	2	10	Interest expense on finance lease obligations	1	1
Amortization of financing costs and discounts	Amortization of financing costs and discounts	2	3	7	9	Amortization of financing costs and discounts	2	2
Loss on debt extinguishment		—	1	3	7			
Interest income	Interest income	(1)	—	(1)	—	Interest income	(1)	—
Interest expense, net	Interest expense, net	$ 35	$ 37	$ 109	$ 121	Interest expense, net	$ 35	$ 35

The decrease in interest Interest expense, net, in the third first quarter of fiscal 2024 was unchanged from the first quarter of fiscal 2023 compared to the third quarter of fiscal 2022 was primarily driven by lower as higher average debt balances and higher interest income, partially rates were offset by higher interest rates.

The decrease in interest expense, net in fiscal 2023 year-to-date compared to 2022 year-to-date was primarily driven by lower outstanding debt balances and finance leases, partially offset by higher average interest rates. income.

(Benefit) Provision for Income Taxes

The effective tax rate for the third first quarter of fiscal 2023 2024 was a benefit rate of 14.3% 18.8% on pre-tax loss compared to an expense rate of 29.9% 6.9% on pre-tax income for the third first quarter of fiscal 2022. 2023. The change was from the first quarter of fiscal 2023 is primarily driven by the impact reduction of a partnership investment entered into discrete tax benefits related to employee stock award vestings in the third first quarter of fiscal 2024. In addition, the first quarter of fiscal 2023 and included a tax benefit from the reduction release of reserves for unrecognized tax positions that did not recur in pre-tax income during the third first quarter of fiscal 2023.

The effective tax rate for fiscal 2023 year-to-date was 11.8% compared to 19.9% for fiscal 2022 year-to-date. The change was driven primarily by the impact of a partnership investment entered into in the third quarter of fiscal 2023, and the reduction in pre-tax income in fiscal 2023 year-to-date as compared to fiscal 2022 year-to-date. This was partially offset by the lower discrete tax benefits in fiscal 2023 year-to-date related to the vesting of employee stock awards as compared to fiscal 2022 year-to-date. 2024.

Net (Loss) Income Attributable to United Natural Foods, Inc.

Reflecting the factors described in more detail above, Net income loss attributable to United Natural Foods, Inc. was $7 million $39 million, or $0.12 $0.67 per diluted common share, for the third first quarter of fiscal 2023, 2024, compared to $67 million, or $1.10 per diluted common share, for the third quarter of fiscal 2022.

Reflecting the factors described in more detail above, Net income attributable to United Natural Foods, Inc. was $92 million of $66 million, or $1.51 $1.07 per diluted common share, for the first quarter of fiscal 2023 year-to-date, compared to $209 million, or $3.44 per diluted common share, for fiscal 2022 year-to-date. 2023.

Segment Results of Operations

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In evaluating financial performance in each business segment, management primarily uses Net sales and Adjusted EBITDA of its business segments as discussed and reconciled within Note 13— 14—Business Segments within Part I, Item 1 of this Quarterly Report on Form 10-Q and the above table within the Executive Overview section. The following tables set forth Net sales and Adjusted EBITDA by segment for the periods indicated. Adjusted EBITDA by segment results for the third quarter of fiscal 2023 and fiscal 2023 year-to-date reflect adjustments to expected incentive compensation expense discussed in Note 13—Business Segments.

		13-Week Period Ended			39-Week Period Ended				13-Week Period Ended		
(in millions)	*(in millions)*	April 29, 2023	April 30, 2022	Change	April 29, 2023	April 30, 2022	Change	*(in millions)*	October 28, 2023	October 29, 2022	Change
Net sales:	**Net sales:**							**Net sales:**			
Wholesale	Wholesale	$ 7,235	$ 6,977	$ 258	$ 22,008	$ 20,843	$ 1,165	Wholesale	$ 7,281	$ 7,259	$ 22
Retail	Retail	598	602	(4)	1,871	1,847	24	Retail	606	613	(7)
Other	Other	56	60	(4)	172	166	6	Other	60	60	—
Eliminations	Eliminations	(382)	(397)	15	(1,196)	(1,201)	5	Eliminations	(395)	(400)	5
Total Net sales	Total Net sales	$ 7,507	$ 7,242	$ 265	$ 22,855	$ 21,655	$ 1,200	Total Net sales	$ 7,552	$ 7,532	$ 20
Adjusted EBITDA:	**Adjusted EBITDA:**							**Adjusted EBITDA:**			
Wholesale	Wholesale	$ 143	$ 171	$ (28)	$ 451	$ 522	$ (71)	Wholesale	$ 117	$ 171	$ (54)
Retail	Retail	18	14	4	66	68	(2)	Retail	(1)	20	(21)
Other	Other	(1)	11	(12)	33	27	6	Other	3	19	(16)
Eliminations	Eliminations	(1)	—	(1)	(3)	(1)	(2)	Eliminations	(2)	(3)	1
Total Adjusted EBITDA	Total Adjusted EBITDA	$ 159	$ 196	$ (37)	$ 547	$ 616	$ (69)	Total Adjusted EBITDA	$ 117	$ 207	$ (90)

Net Sales

Third Quarter

Wholesale's Net sales increased in the first quarter of fiscal 2024 as compared to the first quarter of fiscal 2023 primarily due to inflation and growth in the Supernatural channel, partially offset by a decrease in units sold and declines in the Independent retailers and Chains channels, as discussed in Results of Operations - Net Sales section above.

Retail's Net sales decreased in the first quarter of fiscal 2024 as compared to the first quarter of fiscal 2023 primarily due to a 2.0% 3.2% decrease in identical store sales from lower volume, offset by higher average basket sizes driven by inflation. volume.

The decrease in eliminations Net sales in the first quarter of fiscal 2024 as compared to the first quarter of fiscal 2023 was primarily due to a decrease in Wholesale to Retail sales, which are eliminated upon consolidation.

Year-to-Date

Wholesale's Net sales increased primarily due to growth in the Supernatural, Independent retailers and Chains channels, as discussed in Results of Operations - Net Sales section above.

Retail's Net sales increased primarily due to new store sales and a 0.3% increase in identical store sales from higher average basket sizes driven by inflation, partially offset by lower volume.

Adjusted EBITDA

Third Quarter

Wholesale's Adjusted EBITDA decreased 16.4% 31.6% for the third first quarter of fiscal 2023 2024 as compared to the third first quarter of fiscal 2022. 2023. The decrease was driven by a decline in gross profit decline excluding the LIFO charge, partially offset by a decrease in operating expenses. Wholesale's Gross profit decrease excluding the LIFO charge for the third first quarter of fiscal 2023 was $49 million with a 2024 decreased $62 million and gross profit rate decrease of decreased approximately 114 89 basis points primarily driven by the volatile macroeconomic environment, which led to lower inflationary benefits and reduced procurement gains. Gross profit also reflects higher levels of shrink and costs related to operational improvements. procurement gains resulting from decelerating inflation. Wholesale's Operating expense decreased $21 million $8 million, which excludes depreciation and amortization, share-based compensation and other adjustments as outlined in Note 13— 14—Business Segments. Wholesale's operating expense rate decreased 65 14 basis points primarily driven by lower transportation and distribution center labor costs due to a benefit of approximately $23 million decrease in the third quarter of fiscal 2023 resulting from the reversal of previously accrued incentive compensation expense driven by underperformance compared to targets, which was partially offset by higher occupancy-related costs. Wholesale's operating expenses in the third quarter of fiscal 2022 included approximately $7 million in incentive compensation expense. volume and increased operational efficiencies across our supply chain. Wholesale's depreciation and amortization expense increased $2 $3 million in the first quarter of fiscal 2024 as compared to the third first quarter of fiscal 2022. 2023.

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Retail's Adjusted EBITDA increased 28.6% decreased 105.0% for the third first quarter of fiscal 2023 2024 as compared to the third first quarter of fiscal 2022. 2023. The increase decrease was driven by a benefit resulting from the reversal of previously accrued incentive compensation expense driven by underperformance compared to targets, compared to expense decline in the third quarter of fiscal 2022, partially offset by gross profit, and higher operating expenses primarily due to higher employee-related increased costs and associated with new store start-up costs. stores. Retail's Adjusted EBITDA excludes depreciation and amortization, share-based compensation, LIFO charge and other adjustments as outlined in Note 13— 14—Business Segments. Retail's depreciation and amortization expense increased $2 million compared was flat to the third first quarter of fiscal 2022. 2023.

Other Adjusted EBITDA decreased $12 million $16 million in the third first quarter of fiscal 2024 as compared to the first quarter of fiscal 2023 primarily due to adjustments to accrued incentive compensation.

Year-to-Date

Wholesale's Adjusted EBITDA decreased 13.6% for fiscal 2023 year-to-date from fiscal 2022 year-to-date. The decrease was driven by an increase in operating expenses in excess of gross profit growth excluding the LIFO charge. Wholesale's Gross profit increase excluding the LIFO charge for fiscal 2023 year-to-date was $13 million with a gross profit rate decrease of approximately 63 basis points driven by reduced levels of procurement gains due to the decelerating rate of inflation and the volatile macroeconomic environment, lower inventory gains, higher shrink expense and customer mix. Wholesale's Operating expense increased $84 million, which excludes depreciation and amortization, share-based compensation and other adjustments as outlined in Note 13—Business Segments. Wholesale's operating expense rate decreased 17 basis points due to lower incentive compensation expense, partially offset by higher occupancy costs in fiscal 2023 year-to-date. Wholesale's depreciation and amortization expense increased $6 million compared to fiscal 2022 year-to-date.

Retail's Adjusted EBITDA decreased 2.9% for fiscal 2023 year-to-date as compared to fiscal 2022 year-to-date, driven primarily by higher operating expenses from higher employee-related costs and new store start-up costs. Retail's Adjusted EBITDA excludes depreciation and amortization, share-based compensation, LIFO charge and other adjustments as outlined in Note 13—Business Segments. expenses.

LIQUIDITY AND CAPITAL RESOURCES

Highlights

- Total liquidity as of April 29, 2023 October 28, 2023 was $1,615 million $1,285 million and consisted of the following:
  - Unused credit under our $2,600 million asset-based revolving credit facility (the "ABL Credit Facility") was $1,577 million $1,248 million as of October 28, 2023, which decreased $50 million $232 million from $1,627 million $1,480 million as of July 30, 2022 July 29, 2023, primarily due to increased cash utilized to fund seasonal working capital increases, partially offset by the reduction in ABL borrowings related to the monetization of certain receivables net of the related $125 million voluntary prepayment on our term loan agreement, dated as of October 22, 2018 (as amended, the "Term Loan Agreement") described below. increases.
  - Cash and cash equivalents was $38 million $37 million as of October 28, 2023, which decreased $6 million was unchanged from $44 million as of July 30, 2022 July 29, 2023.
- Our total debt decreased $91 million increased $338 million to $2,032 million $2,301 million as of April 29, 2023 October 28, 2023 from $2,123 million $1,963 million as of July 30, 2022 July 29, 2023, primarily driven by debt repayments from net cash flow from operating activities, partially offset by payments for related to additional borrowings under the ABL Credit Facility to fund seasonal working capital expenditures and repurchases of common stock during fiscal 2023 year-to-date. increases.
- Working capital decreased $143 million increased $322 million to $1,237 million as of April 29, 2023 from $1,380 million as of July 30, 2022 October 28, 2023 from $1,058 million as of July 29, 2023, primarily due to lower seasonal increases in inventory and accounts receivable levels, resulting from the monetization of certain receivables, partially offset by lower liabilities related to accrued compensation and benefits and an increase in prepaid expenses and other current assets.
- In the second quarter of fiscal 2023, we monetized certain receivables previously presented within accounts receivable, pursuant payable related to a purchase agreement with a third-party financial institution for the sale of certain receivables up to $300 million, which generated initial net cash proceeds of $253 million. These proceeds were used to make a $125 million voluntary prepayment on the Term Loan Facility and reduce outstanding borrowings under the ABL Credit Facility. inventories.

Sources and Uses of Cash

We expect to continue to replenish operating assets and pay down debt obligations with internally generated funds. A significant reduction in operating earnings or the incurrence of operating losses could have a negative impact on our operating cash flow, which may limit our ability to pay down our outstanding indebtedness as planned. Our credit facilities are secured by a substantial portion of our total assets. We expect to be able to fund debt maturities and finance lease liabilities through fiscal 2023 2024 with internally generated funds and borrowings under the ABL Credit Facility.

Our primary sources of liquidity are from internally generated funds and from borrowing capacity under the ABL Credit Facility. We believe our short-term and long-term financing abilities are adequate as a supplement to internally generated cash flows to satisfy debt obligations and fund capital expenditures as opportunities arise. Our continued access to short-term and long-term financing through credit markets depends on numerous factors, including the condition of the credit markets and our results of operations, cash flows, financial position and credit ratings.

Primary uses of cash include debt service, capital expenditures, working capital maintenance, investments in cloud technologies and income tax payments. We typically finance working capital needs with cash provided from operating activities and short-term borrowings. Inventories are managed primarily through demand forecasting and replenishing depleted inventories.

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We currently do not pay a dividend on our common stock. In addition, we are limited in the aggregate amount of dividends that we may pay under the terms of our Term Loan Facility, ABL Credit Facility and our $500 million of unsecured 6.750% senior notes due October 15, 2028 (the "Senior Notes"). Subject to certain limitations contained in our debt agreements and as market conditions warrant, we may from time to time refinance indebtedness that we have incurred, including through the incurrence or repayment of loans under existing or new credit facilities or the issuance or repayment of debt securities. Proceeds from the sale of any properties mortgaged and encumbered under our Term Loan Facility are required to be used to make additional Term Loan Facility payments or to be reinvested in the business.

Long-Term Debt

During the first quarter of fiscal 2023 year-to-date, 2024, we borrowed a net $39 million $340 million under the ABL Credit Facility and made voluntary prepayments Facility. Refer to Note 8—Long-Term Debt in Part I, Item 1 of this Quarterly Report on the Term Loan Facility totaling $130 million with Form 10-Q for a portion detailed discussion of the proceeds received from monetizing provisions of our credit facilities and certain receivables previously presented within accounts receivable, long-term debt agreements and from asset sales. additional information.

Our Term Loan Agreement and Senior Notes do not include any financial maintenance covenants. Our ABL Loan Agreement subjects us to a fixed charge coverage ratio of at least 1.0 to 1.0 calculated at the end of each of our fiscal quarters on a rolling four quarter basis, if the adjusted aggregate availability is ever less than the greater of (i) $210 million and (ii) 10% of the aggregate borrowing base. We have not been subject to the fixed charge coverage ratio covenant under the ABL Loan Agreement, including through the filing date of this Quarterly Report on Form 10-Q. The Term Loan Agreement, Senior Notes and ABL Loan Agreement contain certain operational and informational covenants customary for debt securities of these types that limit our and our restricted subsidiaries' ability to, among other things, incur debt, declare or pay dividends or make other distributions to our stockholders, transfer or sell assets, create liens on our assets, engage in transactions with affiliates, and merge, consolidate or sell all or substantially all of our and our subsidiaries' assets on a consolidated basis. We were in compliance with all such covenants for all periods presented. If we fail to comply with any of these covenants, we may be in default under the applicable debt agreement, and all amounts due thereunder may become immediately due and payable.

Derivatives and Hedging Activity

We enter into interest rate swap contracts from time to time to mitigate our exposure to changes in market interest rates as part of our strategy to manage our debt portfolio to achieve an overall desired position of notional debt amounts subject to fixed and floating interest rates. Interest rate swap contracts are entered into for periods consistent with related underlying exposures and do not constitute positions independent of those exposures.

As of April 29, 2023 October 28, 2023, we had an aggregate of $800 million $750 million of floating rate notional debt subject to active interest rate swap contracts, which effectively hedge fix the SOFR component of our floating interest rate payments through pay fixed and receive floating interest rate swap agreements. These fixed rates range from 2.360% to 2.875%, with maturities between September October 2023 and October 2025. The fair value values of these interest rate derivatives represent a current total net asset of $15 million and a long-term asset of $2 million $19 million as of April 29, 2023 October 28, 2023, and are subject to volatility based on changes in market interest rates.

From time to time, time-to-time, we enter into fixed price fuel supply agreements and foreign currency hedges. As of April 29, 2023 October 28, 2023, we had fixed price fuel contracts and foreign currency forward agreements outstanding. Gains and losses and the outstanding assets and liabilities from these arrangements are insignificant.

Payments for Capital Expenditures

Our capital expenditures increased $7 million in the first quarter of fiscal 2024 to $74 million compared to $67 million for the first quarter of fiscal 2023, year-to-date were $218 million compared to $158 million for fiscal 2022 year-to-date, an increase of $60 million, primarily due to automation investments in automation. our supply chain. Our capital spending for the first quarter of fiscal 2023 2024 and 2022 year-to-date 2023 principally included information technology and supply chain expenditures. expenditures, including maintenance expenditures and investments in growth initiatives. Fiscal 2022 year-to-date included continued investment in the new Allentown, Pennsylvania distribution center. Fiscal 2023 2024 capital spending is expected to be approximately $350 million $400 million and include projects that automate, optimize and expand our distribution network, and finance as well as our technology platform investments. We expect to finance fiscal 2023 2024 capital expenditures requirements with cash generated from operations and borrowings under our ABL Credit Facility. Future investments may be financed through long-term debt or borrowings under our ABL Credit Facility and cash from operations.

Cash Flow Information

The following summarizes our Condensed Consolidated Statements of Cash Flows:

	39-Week Period Ended		
(in millions)	**April 29, 2023**	**April 30, 2022**	**Change**
Net cash provided by (used in) operating activities	$ 402	$ (31)	$ 433
Net cash (used in) provided by investing activities	(211)	45	(256)
Net cash used in financing activities	(197)	(7)	(190)
Net (decrease) increase in cash and cash equivalents	(6)	7	(13)
Cash and cash equivalents, at beginning of period	44	41	3

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Cash and cash equivalents, at end of period	$ 38	$ 48	$ (10)

(in millions)	13-Week Period Ended		Change
	October 28, 2023	October 29, 2022	
Net cash used in operating activities	$ (254)	$ (262)	$ 8
Net cash used in investing activities	(72)	(61)	(11)
Net cash provided by financing activities	326	319	7
Effect of exchange rate on cash	—	(1)	1
Net decrease in cash and cash equivalents	—	(5)	5
Cash and cash equivalents, at beginning of period	37	44	(7)
Cash and cash equivalents, at end of period	$ 37	$ 39	$ (2)

The increase decrease in net Net cash provided by used in operating activities in the first quarter of fiscal 2023 year-to-date 2024 compared to the first quarter of fiscal 2022 year-to-date 2023 was primarily due to lower levels of cash utilized in net working capital, including the monetization of certain receivables in fiscal 2023 year-to-date discussed above, pursuant to a purchase agreement with a third-party financial institution, and lower cash used in inventory purchases driven by higher purchasing levels intended to offset supply chain limitations that occurred in fiscal 2022 year-to-date, partially offset by lower cash generated from net income. income in the first quarter of fiscal 2024.

The increase in net cash used in investing activities in the first quarter of fiscal 2023 year-to-date 2024 compared to the first quarter of fiscal 2022 year-to-date 2023 was primarily due to lower proceeds received from the sale of the Riverside, California distribution center an increase in fiscal 2022 year-to-date and higher payments for capital expenditures in the first quarter of fiscal 2023 year-to-date, as described above. 2024.

The increase in net cash used in provided by financing activities in the first quarter of fiscal 2023 year-to-date 2024 compared to the first quarter of fiscal 2022 year-to-date 2023 was primarily due to lower a decrease in cash utilized for employee restricted stock tax withholdings and repurchasing common stock, partially offset by a net decrease in proceeds from borrowings under the ABL Credit Facility resulting from increases in net cash provided by operating activities, net of cash used in investing activities, as described above. revolving credit line.

Other Obligations and Commitments

Our principal contractual obligations and commitments consist of obligations under our long-term debt, interest on long-term debt, operating and finance leases, purchase obligations, self-insurance liabilities and multiemployer plan withdrawal liabilities.

Except as otherwise disclosed in Note 14— 15—Commitments, Contingencies and Off-Balance Sheet Arrangements and Note 7— 8—Long-Term Debt, there have been no material changes in our contractual obligations since the end of fiscal 2022. 2023. Refer to Item 7 of the Annual Report for additional information regarding our contractual obligations.

Pension and Other Postretirement Benefit Obligations

In fiscal 2023, 2024, no minimum pension contributions are required to be made under the SUPERVALU INC. Retirement Plan under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). An insignificant amount of contributions are expected to be made to defined benefit pension plans and postretirement benefit plans in fiscal 2023. 2024. We fund our defined benefit pension plans plan based on the minimum contribution required under ERISA, the Pension Protection Act of 2006 and other applicable laws and additional contributions made at our discretion. We may accelerate contributions or undertake contributions in excess of the minimum requirements from time to time subject to the availability of cash in excess of operating and financing needs or other factors as may be applicable. We assess the relative attractiveness of the use of cash to accelerate contributions considering such factors as expected return on assets, discount rates, cost of debt, reducing or eliminating required Pension Benefit Guaranty Corporation variable rate premiums or in order to achieve exemption from participant notices of underfunding.

Off-Balance Sheet Multiemployer Pension Arrangements

We contribute to various multiemployer pension plans under collective bargaining agreements, primarily defined benefit pension plans. These multiemployer plans generally provide retirement benefits to participants based on their service to contributing employers. The benefits are paid from assets held in trust for that purpose. Plan trustees typically are responsible for determining the level of benefits to be provided to participants as well as the investment of the assets and plan administration. Trustees are appointed in equal number by employers and unions that are parties to the relevant collective bargaining agreement. agreements. Based on the assessment of the most recent information available from the multiemployer plans, we believe that most of the plans to which we contribute are underfunded. We are only one of a number of employers contributing to these plans and the underfunding is not a direct obligation or liability to us.

Our contributions can fluctuate from year to year due to store closures, employer participation within the respective plans and reductions in headcount. Our contributions to these plans could increase in the near term. However, the amount of any increase or decrease in contributions will depend on a variety of factors, including the results of our collective

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bargaining efforts, investment returns on the assets held in the plans, actions taken by the trustees who manage the plans and requirements under the Pension Protection Act of 2006, the Multiemployer Pension Reform Act and Section 412(e) of the Internal Revenue Code. Furthermore, if we were to significantly reduce contributions, exit certain markets or otherwise cease making contributions to these plans, we could trigger a partial or complete withdrawal that could require us to record a withdrawal liability obligation and make withdrawal liability payments to the fund. Expense is recognized in connection with these plans as contributions are funded, in accordance with GAAP. We made contributions to these plans, and recognized expense of $45 million $48 million in fiscal 2022. 2023. In fiscal 2023, 2024, we expect to contribute approximately $51 million $50 million to multiemployer plans, subject to the outcome of collective bargaining and capital market conditions. We expect required cash payments to fund multiemployer pension plans from which we have withdrawn to be insignificant in any one fiscal year, which would exclude any payments that may be agreed to on a lump sum basis to satisfy existing withdrawal liabilities. Any future withdrawal liability would be recorded when it is probable that a liability exists and can be reasonably estimated, in accordance with GAAP. Any triggered withdrawal obligation could result in a material charge and payment obligations that would be required to be made over an extended period of time.

We also make contributions to multiemployer health and welfare plans in amounts set forth in the related collective bargaining agreements. A small minority of collective bargaining agreements contain reserve requirements that may trigger unanticipated contributions resulting in increased healthcare expenses. If these healthcare provisions cannot be renegotiated in a manner that reduces the prospective healthcare cost as we intend, our Operating expenses could increase in the future.

Refer to Note 13—Benefit Plans in Part II, Item 8 of the Annual Report for additional information regarding the plans in which we participate.

Share Repurchases

In September 2022, our Board of Directors authorized a new repurchase program for up to $200 million of our common stock over a term of four years (the “2022 Repurchase Program”). Under the 2022 Repurchase Program, we repurchased approximately 368,000 We did not repurchase any shares of our common stock for a total cost of $12 million in the third first quarter of fiscal 2023 and approximately 1,098,000 shares of our common stock for a total cost of $41 million in fiscal 2023 year-to-date. 2024. As of April 29, 2023 October 28, 2023, we had $159 million $138 million remaining authorized under the 2022 Repurchase Program.

We will manage the timing of any repurchases of our common stock in response to market conditions and other relevant factors, including any limitations on our ability to make repurchases under the terms of our ABL Credit Facility, Term Loan Facility and Senior Notes. We may implement the 2022 Repurchase Program pursuant to a plan or plans meeting the conditions of Rule 10b5-1 under the Exchange Act.

Critical Accounting Estimates

There were no material changes to our critical accounting estimates during the period covered by this Quarterly Report on Form 10-Q. Refer to the description of critical accounting estimates included in Item 7 of our Annual Report.

Seasonality

Overall product sales are fairly balanced throughout the year, although demand for certain products of a seasonal nature may be influenced by holidays, changes in seasons or other annual events. Our working capital needs are generally greater during the months of and leading up to high sales periods, such as the buildup in inventory leading to the calendar year-end holidays. Our inventory, accounts payable and accounts receivable levels may be impacted by macroeconomic impacts and changes in food-at-home purchasing rates. These effects can result in normal operating fluctuations in working capital balances, which in turn can result in changes to cash flow from operations that are not necessarily indicative of long-term operating trends.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Our exposure to market risk results primarily from fluctuations in interest rates on our borrowings and our interest rate swap agreements, and price increases in diesel fuel. Except as described in Note 6— 7—Derivatives and Note 7— 8—Long-Term Debt in Part I, Item 1 of this Quarterly Report on Form 10-Q, which are incorporated herein, there have been no other material changes to our exposure to market risks from those disclosed in our Annual Report.

Item 4. Controls and Procedures

(a) *Evaluation of disclosure controls and procedures.* We carried out an evaluation, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this Quarterly Report on Form 10-Q (the “Evaluation Date”). Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of the Evaluation Date, our disclosure controls and procedures were effective.

(b) *Changes in internal controls.* There has been no change in our internal control over financial reporting that occurred during the third first quarter of fiscal 2023 2024 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

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Item 1. Legal Proceedings

From time to time, we are involved in routine litigation or other legal proceedings that arise in the ordinary course of our business, including investigations and claims regarding employment law including wage and hour, pension plans, unfair labor practices, labor union disputes, supplier, customer and service provider contract terms, product liability, real estate and antitrust. Other than as set forth in Note 14— 15—Commitments, Contingencies and Off-Balance Sheet Arrangements in Part I, Item I of this Quarterly Report on Form 10-Q, which is incorporated herein, there are no pending material legal proceedings to which we are a party or to which our property is subject.

Item 1A. Risk Factors

There have been no material changes to our risk factors contained in Part I, Item 1A. Risk Factors, of our Annual Report.

Item 2. Unregistered Sales of Equity Securities, and Use of Proceeds, and Issuer Purchases of Equity Securities

On September 21, 2022, our Board of Directors authorized a new repurchase program the 2022 Repurchase Program for up to $200 million of our common stock over a term of four years (the “2022 years. Under the 2022 Repurchase Program”) Program, we have repurchased approximately 1,888,000 shares of our common stock for a total cost of $62 million. We did not repurchase any shares of our common stock in the first quarter of fiscal 2024. As of October 28, 2023, we had $138 million remaining authorized under the 2022 Repurchase Program.

Any repurchases are intended to be made in accordance with applicable securities laws from time to time in the open market, through privately negotiated transactions or otherwise. With respect to open market purchases, we may use a plan or plans meeting the conditions of Rule 10b5-1 under the Securities Exchange Act of 1934, as amended, which allows us to repurchase shares during periods when we otherwise might be prevented from doing so under insider trading laws or because of self-imposed blackout periods. We manage the timing of any repurchases in response to market conditions and other relevant factors, including any limitations on our ability to make repurchases under the terms of our ABL Credit Facility, Term Loan Facility and Senior Notes.

The following table presents purchases of our common stock and related information for each of the months in the quarter ended April 29, 2023.

(in millions, except shares and per share amounts)	Total Number of Shares Purchased(2)	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs(3)
Period(1):				
January 29, 2023 to March 4, 2023	181,292	$ 41.54	181,292	$ 164
March 5, 2023 to April 1, 2023	44,700	$ 36.64	32,732	$ 163
April 2, 2023 to April 29, 2023	155,109	$ 26.29	154,434	$ 159
Total	381,101	$ 34.76	368,458	$ 159

(1) The reported periods conform to our fiscal calendar.

(2) These amounts represent the deemed surrender by participants in our compensatory stock plans of 12,643 shares of our common stock to cover withholding taxes from the vesting of restricted stock units granted under such plans and the repurchase of 368,458 shares of our common stock under the 2022 Repurchase Program.

(3) The amounts shown in this column represent the amount remaining under the 2022 Repurchase Program as of March 4, 2023, April 1, 2023 and April 29, 2023.

Dividends. We are limited in the aggregate amount of dividends that we may pay under the terms of our Term Loan Facility, ABL Credit Facility and Senior Notes.

Item 5. Other Information

On June 1, 2023, our Board of Directors approved the amendment and restatement of the Company’s fourth amended and restated bylaws, as amended (the “Fifth Amended and Restated Bylaws”), effective immediately. The amendments to the bylaws include the following:

- Changes to reflect the universal proxy rules promulgated by the U.S. Securities and Exchange Commission, including the addition of provisions:
  - requiring that any Special Meeting Request relating to director nominations include the information required by Rule 14a-19 under the Exchange Act, and be accompanied by a written consent of each proposed nominee to being named as a nominee in any proxy statement relating to the special meeting of stockholders and that, in connection with such a Special Meeting Request, the requesting stockholders provide reasonable evidence to the Company, not later than five business days prior to the date of the applicable special meeting of stockholders, that the solicitation requirement of Rule 14a-19 under the Exchange Act has been satisfied;
  - establishing a stockholder’s compliance with Rule 14a-19 under the Exchange Act as a prerequisite for such stockholder to nominate a person for election as a director at a meeting of stockholders under the advance notice procedures in the Fifth Amended and Restated Bylaws, requiring that such stockholder’s notice to the Company of any such nomination include the information required by Rule 14a-19 and be accompanied by the nominee’s consent to being named in any proxy statement relating to the applicable meeting of stockholders and requiring that such stockholder provide reasonable evidence, not later than five business days after such stockholder files

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a definitive proxy statement in connection with such meeting, of such stockholder's having satisfied the solicitation requirement of Rule 14a-19 under the Exchange Act; and

- ◦ providing for a stockholder's nomination of a candidate for election as a director pursuant to a Special Meeting Request or under the advance notice provisions of the Fifth Amended and Restated Bylaws to be disregarded in any case in which the solicitation in support of the nominee was not conducted in compliance with Rule 14a-19 under the Exchange Act;

- A requirement that any stockholder directly or indirectly soliciting proxies from other stockholders must use a proxy card color other than white, with the white proxy card being reserved for exclusive use by our Board of Directors;
- An update to the advance notice bylaw provisions to require a stockholder to include all information that would be required to be disclosed pursuant to Item 404 of Regulation S-K with respect to any related party transactions if the stockholder were the "registrant" for the purposes of such rule and the proposed nominee were a director or executive officer of such registrant; and
- Removal of the requirement to make a list of stockholders available in connection with a stockholder meeting to align with the corresponding provision of the Delaware General Corporation Law.

The foregoing description of the Company's Fifth Amended and Restated Bylaws is a summary and is qualified in all respects to the text of the Fifth Amended and Restated Bylaws, a copy of which is filed herewith as Exhibit 3.2.

Item 6. Exhibits

Exhibit No.	Description
2.1	Agreement and Plan of Merger, dated July 25, 2018, by and among SUPERVALU INC., SUPERVALU Enterprises, Inc., the Registrant and Jedi Merger Sub, Inc. (incorporated by reference to the Registrant's Current Report on Form 8-K, filed on July 26, 2018).
2.2	First Amendment to Agreement and Plan of Merger, dated as of October 10, 2018, by and among United Natural Foods, Inc., Jedi Merger Sub, Inc., SUPERVALU INC. and SUPERVALU Enterprises, Inc. (incorporated by reference to Registrant's Current Report on Form 8-K, filed on October 10, 2018).
3.1	Certificate of Incorporation of the Registrant, as amended (restated for SEC filing purposes only) (incorporated by reference to the Registrant's Quarterly Report on Form 10-Q for the quarter ended January 31, 2015).
3.2* 3.2	Fifth Amended and Restated Bylaws of the Registrant.
10.1**	Second Amended and Restated United Natural Foods, Inc. 2020 Equity Incentive Plan, effective as of March 3, 2023 Registrant (incorporated by reference to the Registrant's Quarterly Annual Report on Form 10-Q for the quarter ended January 28, 2023 April 29, 2023).
10.2* 10.1**	United Natural Foods, Inc. Annual Incentive Plan, as further amended, effective as of September 21, 2023 (incorporated by reference to the Registrant's Quarterly Annual Report on Form 10-Q 10-K for the quarter year ended January 28, 2023 July 29, 2023).
10.2**	Form of RSU Award Agreement (CEO) (for grants made after September 21, 2023) pursuant to the Registrant's Second Amended and Restated 2020 Equity Incentive Plan (incorporated by reference to the Registrant's Annual Report on Form 10-K for the year ended July 29, 2023).
10.3* ***	Addendum Form of PSU Award Agreement (CEO) (for grants made after September 21, 2023) pursuant to Consulting the Registrant's Second Amended and Restated 2020 Equity Incentive Plan (incorporated by reference to the Registrant's Annual Report on Form 10-K for the year ended July 29, 2023).
10.4**	Form of RSU Award Agreement effective (for grants made after September 21, 2023) pursuant to the Registrant's Second Amended and Restated 2020 Equity Incentive Plan (incorporated by reference to the Registrant's Annual Report on Form 10-K for the year ended July 29, 2023).
10.5**	Form of PSU Award Agreement (for grants made after September 21, 2023) pursuant to the Registrant's Second Amended and Restated 2020 Equity Incentive Plan (incorporated by reference to the Registrant's Annual Report on Form 10-K for the year ended July 29, 2023).
10.6**	Form of RSU Award Agreement (Director) (for grants made after September 21, 2023) pursuant to the Registrant's Second Amended and Restated 2020 Equity Incentive Plan (incorporated by reference to the Registrant's Annual Report on Form 10-K for the year ended July 29, 2023).
10.7**	Form of Indemnification Agreement (incorporated by reference to the Registrant's Annual Report on Form 10-K for the year ended July 29, 2023).
10.8	Cooperation Agreement, dated as of April 12, 2023 September 25, 2023, by and among JCP Investment Partnership, LP, a Texas limited partnership, JCP Investment Partners, LP, a Texas limited partnership, JCP Investment Holdings, LLC, a Texas limited liability company, JCP Investment Management, LLC, a Texas limited liability company, and James C. Pappas, and United Natural Foods, Inc., a Delaware corporation (incorporated by reference to the Registrant and Eric Dorne. Registrant's Current Report on Form 8-K, filed on September 26, 2023).
31.1*	Certification of CEO pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of CFO pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of CEO pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of CFO pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101*	The following materials from the United Natural Foods, Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended April 29, 2023 October 28, 2023, formatted in Inline XBRL (Extensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations, (iii) Condensed Consolidated Statements of Comprehensive (Loss) Income, (iv) Condensed Consolidated Statements of Stockholders' Equity, (v) Condensed Consolidated Statements of Cash Flows, and (vi) Notes to Condensed Consolidated Financial Statements.
104	The cover page from our Quarterly Report on Form 10-Q for the third first quarter of fiscal 2023, 2024, filed with the SEC on June 7, 2023 December 6, 2023, formatted in Inline XBRL (included as Exhibit 101).

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* Filed herewith.

** Denotes a management contract or compensatory plan or arrangement.

* * *

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

UNITED NATURAL FOODS, INC.

/s/ JOHN W. HOWARD

John W. Howard

Chief Financial Officer

(Principal Financial Officer and duly authorized officer)

Dated: June 7, 2023 December 6, 2023

Exhibit 3.2

FIFTH AMENDED AND RESTATED

BYLAWS

OF

UNITED NATURAL FOODS, INC.

A Delaware Corporation

Effective June 1, 2023

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GENERAL PROVISIONS

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FIFTH
AMENDED AND RESTATED BYLAWS OF
UNITED NATURAL FOODS, INC.

ARTICLE I

STOCKHOLDERS

SECTION 1.1 Place of Meetings. All meetings of stockholders shall be held at such place within or without the State of Delaware as may be designated from time to time by the Board of Directors or the Chief Executive Officer (or, if there is no Chief Executive Officer, the President) or, if not so designated, at the registered office of the corporation. The Board of Directors may, in its sole discretion, determine that a meeting shall not be held at any place, but may instead be held either solely by means of remote communication or concurrently with a meeting held at a designated place in a manner consistent with the General Corporation Law of the State of Delaware (the "**DGCL**").

SECTION 1.2 Annual Meeting. The annual meeting of stockholders for the election of directors and for the transaction of such other business as may properly be brought before the meeting in accordance with the requirements of these Bylaws shall be held on a date to be fixed by the Board of Directors or the Chief Executive Officer (or, if there is no Chief Executive Officer, the President) (which date shall not be a legal holiday) at the time and place (if any) to be fixed by the Board of Directors or the Chief Executive Officer (or, if there is no Chief Executive Officer, the President) and stated in the notice of the meeting. If no annual meeting is held in accordance with the foregoing provisions, a special meeting may be held in lieu of the annual meeting, and any action taken at that special meeting shall have the same effect as if it had been taken at the annual meeting, and in such case all references in these Bylaws to the annual meeting of the stockholders shall be deemed to refer to such special meeting.

SECTION 1.3 Special Meetings.

(a) Special meetings of stockholders may be called at any time by the Chair of the Board of Directors, the Chief Executive Officer (or, if there is no Chief Executive Officer, the President) or the Board of Directors, and, subject to the requirements of this Section 1.3 and such other sections of these Bylaws as are applicable, a special meeting of the stockholders shall be called by the Secretary of the corporation upon written request to the Secretary of the corporation (each such request, a "**Special Meeting Request**" and such meeting a "**Stockholder Requested Special Meeting**") of the holders of record of at least twenty-five percent (25%) of the voting power of all outstanding shares of common stock of the corporation (the "**Common Stock**") entitled to vote at such meeting, which shares are determined to be "Net Long Shares" (as defined below) (the "**Requisite Percentage**"), who have held such shares continuously for at least one year prior to the date such Special Meeting Request is delivered to the Secretary of the corporation (such period, the "**One-Year Period**") and who have complied in full with the requirements set forth in these Bylaws. A special meeting of stockholders may be held at such date, time and place, if any, within or without the State of Delaware as may be designated by the Board of Directors; provided, however, that the date of any Stockholder Requested Special

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Meeting shall be not more than 90 days after a Special Meeting Request(s) satisfying the requirements set forth in these Bylaws and representing the Requisite Percentage is received by the Secretary of the corporation. Business transacted at any special meeting of stockholders, including any Stockholder Requested Special Meeting, shall be limited to matters relating to the purpose or purposes stated in the notice of meeting.

For purposes of determining the Requisite Percentage, "**Net Long Shares**" shall mean those shares of Common Stock as to which the stockholder(s) of record making the Special Meeting Request or beneficial owner(s), if any, on whose behalf the Special Meeting Request is being made (each such record owner and beneficial owner, a "**Requesting Stockholder**") possesses (i) the sole power to vote or direct the voting, (ii) the sole economic incidents of ownership (including the sole right to profits and the sole risk of loss), and (iii) the sole power to dispose of or direct the disposition. The number of shares calculated in accordance with clauses (i), (ii) and (iii) shall not include any shares (A) sold by such stockholder in any transaction that has not been settled or closed, (B) borrowed by such stockholder for any purposes or purchased by such stockholder pursuant to an agreement to resell or (C) subject to any option, warrant, derivative or other agreement or understanding, whether any such arrangement is to be settled with shares of Common Stock or with cash based on the notional amount of shares subject thereto, in any such case which has, or is intended to have, the purpose or effect of (1) reducing in any manner, to any extent or at any time in the future, such stockholder's rights to vote or direct the voting and full rights to dispose or direct the disposition of any of such shares or (2) offsetting to any degree gain or loss arising from the sole economic ownership of such shares by such stockholder. Whether shares of Common Stock constitute "Net Long Shares" shall be decided by the Board of Directors in its reasonable determination.

(b) To be in proper form and valid, a Special Meeting Request must be signed by the holders of the Requisite Percentage (or their duly authorized agents), be delivered to the Secretary of the corporation at the corporation's principal executive offices by registered mail, return receipt requested or by nationally recognized private overnight courier service and shall (i) set forth a statement of the specific purpose or purposes of the meeting and the matters proposed to be acted on at such special meeting (including the text of any resolutions proposed for consideration and, if such business includes a proposal to amend the Bylaws, the language of the proposed amendment), (ii) bear the date of signature of each stockholder (or duly authorized agent) signing the request, (iii) set forth (A) the name and address, as they appear in the corporation's books, of each stockholder signing such request (or on whose behalf the request is signed), (B) the number of Net Long Shares held by such stockholder, (C) include documentary evidence that the stockholders held the Requisite Percentage as of the Request Date and that such shares have been held continuously for the One-Year Period, provided that if any of the Requesting Stockholders are not the beneficial owners of the shares representing the Requisite Percentage, then to be valid, the request must also include documentary evidence (or, if not simultaneously provided with the request, such documentary evidence must be delivered to the Secretary of the corporation within ten (10) days after the Request Date) that the beneficial owners on whose behalf the request is made held the Requisite Percentage as of the Request Date and continuously for the One-Year Period and (D) a certification from the stockholder submitting the request that the Requesting Stockholders signing the request in the aggregate satisfy the Requisite Percentage, (iv) describe any material interest of each such Requesting Stockholder in the specific purpose or purposes of the meeting, (v) contain any other information

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that would be required to be provided by a stockholder seeking to nominate directors to the Board of Directors pursuant to Section 1.10 and Section 1.14 of these Bylaws and Rule 14a-19 under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), or bring an item of business before an annual meeting of stockholders pursuant to Section 1.11 and Section 1.14 of these Bylaws, (vi) include an acknowledgment by each Requesting Stockholder and any duly authorized agent that any reduction in Net Long Shares owned by such Requesting Stockholder as of the date of delivery of the Special Meeting Request and prior to the record date for the proposed Stockholder Requested Special Meeting shall constitute a revocation of such request to the extent of such reduction, and (vii) include an agreement by each Requesting Stockholder and any duly authorized agent to notify the corporation promptly in the event of any decrease in Net Long Shares held by such Requesting Stockholder following the delivery of the Special Meeting Request and prior to the Stockholder Requested Special Meeting. In addition, the Requesting Stockholder and any duly authorized agent shall promptly provide any other information reasonably requested by the corporation.

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Each Requesting Stockholder is required to update and supplement the Special Meeting Request delivered by or on its behalf pursuant to this Section 1.3(b), if necessary, so that the information provided in such Special Meeting Request or required to be provided in such Special Meeting Request by (i) Section 1.10 and Section 1.14 of these Bylaws as to any nominations proposed to be presented at the Stockholder Requested Special Meeting and as to the stockholder(s) proposing such nominations and/or (ii) Section 1.11 and Section 1.14 of these Bylaws as to the business proposed to be conducted at the Stockholder Requested Special Meeting and as to the stockholder(s) proposing such business shall be true and correct as of the record date for determining the stockholders entitled to receive notice of the Stockholder Requested Special Meeting, and such update and supplement shall be received by the Secretary of the corporation at the principal executive offices of the corporation not later than five (5) business days after the record date for determining the stockholders entitled to receive notice of such Stockholder Requested Special Meeting. The Requesting Stockholder(s) also shall certify to the corporation in writing on the day prior to the Stockholder Requested Special Meeting as to whether the Requesting Stockholder(s) continues to satisfy the Requisite Percentage. In the case of any Special Meeting Request for the nomination of directors (a "**Director Election Special Meeting Request**"), the Requesting Stockholders shall provide reasonable evidence to the corporation that the solicitation requirements under Rule 14a-19 (or any successor provision) promulgated under the Exchange Act have been satisfied with respect to the nominees identified in such Director Election Special Meeting Request, and shall cause such evidence to be delivered to or be mailed to and received by the Secretary at the principal executive offices of the corporation not later than five (5) business days prior to the date of the applicable Stockholder Requested Special Meeting.

Nominations pursuant to Section 1.15 of these Bylaws may not be made in connection with a Special Meeting Request.

(c) In determining whether a special meeting of stockholders has been requested by the record holders of shares representing in the aggregate at least the Requisite Percentage who have held such shares continuously for the One-Year Period, multiple Special Meeting Requests delivered to the Secretary of the corporation will be considered together only if (i) each Special Meeting Request identifies substantially the same purpose or purposes of the special meeting and

substantially the same matters proposed to be acted on at the special meeting, in each case as determined by the Board of Directors (which, if such purpose is the nominating of a person or persons for election to the Board of Directors, will mean that the exact same person or persons are nominated in each relevant Special Meeting Request), and (ii) such Special Meeting Requests have been dated and delivered to the Secretary of the corporation within sixty (60) days of the earliest dated Special Meeting Request. A stockholder may revoke a Special Meeting Request at any time by written revocation delivered to the Secretary of the corporation. If, following such revocation, there are unrevoked requests from stockholders representing in the aggregate less than the Requisite Percentage, the Board of Directors, in its discretion, may cancel the special meeting.

(d) At any Stockholder Requested Special Meeting, the business transacted shall be limited to the purpose(s) stated in the Special Meeting Request; provided, however, that the Board of Directors shall have the authority in its discretion to submit additional matters to the stockholders and to cause other business to be transacted. Notwithstanding the foregoing provisions of this Section 1.3, a Stockholder Requested Special Meeting shall not be held if (i) the Special Meeting Request does not comply with these Bylaws, (ii) the business specified in the Special Meeting Request is not a proper subject for stockholder action under applicable law, (iii) the Board of Directors has called or calls for an annual or special meeting of stockholders to be held within ninety (90) days after the Secretary of the corporation receives the Special Meeting Request and the Board of Directors determines that the business of such meeting includes (among any other matters properly brought before the annual or special meeting) the business specified in the Special Meeting Request, (iv) the Special Meeting Request is received by the Secretary of the corporation during the period commencing ninety (90) days prior to the anniversary date of the prior year's annual meeting of stockholders and ending on the date of the final adjournment of the next annual meeting of stockholders, (v) an identical or substantially similar item (as determined in good faith by the Board of Directors, a "**Similar Item**"), other than the election of directors, was presented at any meeting of stockholders held within twelve (12) months prior to receipt by the Secretary of the corporation of the Special Meeting Request, (vi) a Similar Item was presented at any meeting of stockholders held within ninety (90) days prior to receipt by the Secretary of the corporation of the Special Meeting Request (and, for purposes of this clause (vi), the election of directors shall be deemed to be a "Similar Item" with respect to all items of business involving the nomination, election or removal of directors, the changing of the size of the Board of Directors and the filling of vacancies and/or newly created directorships resulting from any increase in the authorized number of directors), or (vii) the Special Meeting Request was made in a manner that involved a violation of Regulation 14A under

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the Exchange Act or other applicable law. The Board of Directors shall determine in good faith whether all requirements set forth in this Section 1.3 have been satisfied and such determination shall be binding on the corporation and its stockholders.

Except to the extent previously determined by the Board of Directors in connection with a Special Meeting Request, the chairperson of the Stockholder Requested Special Meeting shall determine at such meeting whether any proposed business or other matter to be transacted by the stockholders has not been properly brought before the special meeting and, if he or she should so determine, the chairperson shall declare that such proposed business or other matter was not properly brought before the meeting and such business or other matter shall not be presented for stockholder action at the meeting. If the chair of the Stockholder Requested Special Meeting

called pursuant to a Director Election Special Meeting Request determines that the solicitation in support of any nominee, other than a nominee of the corporation, for election as a director was not conducted in compliance with Rule 14a-19 under the Exchange Act or any other applicable provision of these Bylaws, the chair shall declare to the Stockholder Requested Special Meeting that the nomination of such nominee was defective, and such defective nomination shall be disregarded. In addition, notwithstanding the foregoing provisions of this Section 1.3, unless otherwise required by law, if the Requesting Stockholder(s) (or a qualified representative of the stockholder) does not appear at the Stockholder Requested Special Meeting to present a nomination or other proposed business, such nomination shall be disregarded and such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the corporation.

SECTION 1.4Notice of Meetings. Except as otherwise provided by law, written notice of each meeting of stockholders, whether annual or special, shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting. Without limiting the manner by which notice otherwise may be given to stockholders, any notice shall be effective if given by a form of electronic transmission consented to (in a manner consistent with the DGCL) by the stockholder to whom the notice is given. The notices of all meetings shall state the place (if any), date and hour of the meeting and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting. The notice of a special meeting shall state, in addition, the purpose or purposes for which the meeting is called. If mailed, notice is given when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the records of the corporation. If notice is given by electronic transmission, such notice shall be deemed given at the time specified in Section 232 of the DGCL.

SECTION 1.5Voting List. The corporation shall prepare no later than the tenth (10th) day before each meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting (provided, however, if the record date for determining the stockholders entitled to vote is less than ten (10) days before the meeting date, the list shall reflect the stockholders entitled to vote as of the tenth (10th) day before the meeting date), arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. The corporation shall not be required to include electronic mail addresses or other electronic contact information on such list. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting for a period of ten (10) days ending on the day before the meeting date, either (a) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (b) during ordinary business hours, at the principal place of business of the corporation. In the event that the corporation determines to make the list available on an electronic network, the corporation may take reasonable steps to ensure that such information is available only to stockholders of the corporation.

SECTION 1.6Quorum. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, the holders of a majority of the voting power of the shares of the corporation's capital stock issued and outstanding and entitled to vote at the meeting, present in person, present by means of remote communication in a manner, if any, authorized by the Board

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of Directors in its sole discretion, or represented by proxy, shall constitute a quorum for the transaction of business.

SECTION 1.7Adjournments. Any meeting of stockholders may be adjourned to any other time and to any other place at which a meeting of stockholders may be held under these Bylaws by the stockholders present or represented at the meeting and entitled to vote, although less than a quorum, or by any officer entitled to preside at or to act as Secretary of such meeting. It shall not be necessary to notify any stockholder of any adjournment of less than thirty (30) days if the time and place (if any) of the adjourned meeting, and the means of remote communication, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such adjourned meeting, are announced at the meeting at which adjournment is taken, unless after the adjournment a new record date is fixed for the adjourned meeting. At the adjourned meeting, the corporation may transact any business which might have been transacted at the original meeting.

SECTION 1.8 Voting and Proxies. Each stockholder shall have one vote for each share of stock entitled to vote held of record by such stockholder and a proportionate vote for each fractional share so held, unless otherwise provided by the DGCL, the Certificate of Incorporation or these Bylaws. Each stockholder of record entitled to vote at a meeting of stockholders may vote in person (including by means of remote communication, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting, if authorized by the Board of Directors) or may authorize another person or persons to vote or act for such stockholder by written proxy executed or transmitted in a manner permitted by the DGCL by the stockholder or such stockholder's authorized agent and delivered (including by electronic transmission) to the Secretary of the corporation. No such proxy shall be voted or acted upon after three years from the date of its execution, unless the proxy expressly provides for a longer period. Any stockholder directly or indirectly soliciting proxies from other stockholders must use a proxy card color other than white, which shall be reserved for exclusive use by the Board.

SECTION 1.9Action at Meeting. When a quorum is present at any meeting, the holders of a majority of the stock present or represented and voting on a matter (or if there are two or more classes of stock entitled to vote as separate classes, then in the case of each such class, the holders of a majority of the stock of that class present or represented and voting on a matter) shall decide any matter to be voted upon by the stockholders at such meeting, except when a different vote is required by express provision of law, the Certificate of Incorporation or these Bylaws. Except as provided in Article II, Section 2.5 of these Bylaws, each director shall be elected by the vote of the majority of the votes cast with respect to that director at any meeting for the election of directors at which a quorum is present, provided that if the number of nominees as of the date 14 days preceding the date that the corporation first distributes its notice of meeting for such meeting exceeds the number of directors to be elected, the directors shall be elected by the vote of a plurality of the shares represented in person or by proxy at any such meeting and entitled to vote on the election of directors. For purposes of this Section 1.9, a majority of the votes cast means that the number of shares voted "for" a director must exceed the number of votes cast against that director. If a nominee who already serves as a director is not elected, such director shall offer to tender his or her resignation to the Board of Directors. The Nominating and Governance Committee will make a recommendation to the Board of Directors

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on whether to accept or reject the resignation, or whether other action should be taken. The Board of Directors will act on the Nominating and Governance Committee's recommendation and publicly disclose its decision and the rationale behind it within ninety (90) days from the date of the certification of the election results.

SECTION 1.10 Nomination of Directors.

(a) Only persons who are nominated in accordance with the procedures set forth in this Section 1.10 or Section 1.15 shall be eligible for election as directors. Nominations of persons for election to the Board of Directors of the corporation may be made at a meeting of stockholders (x) as specified in the corporation's notice of such meeting (or any supplement thereto), (y) as otherwise properly brought before the meeting by or at the direction of the Board of Directors, or (z) with respect to any annual meeting of stockholders or special meeting of stockholders (but, in the case of a special meeting of stockholders, only if the election of directors is a matter specified in the notice of meeting given by or at the direction of the person calling such special meeting) as otherwise properly brought before the meeting by any stockholder (A) who is a stockholder of record of the

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corporation both at the time the notice is provided and at the record date for the meeting at which a vote is taken with respect to the person nominated to be a director (an "**Eligible Stockholder**"), (B) who complies with the provisions set forth in this Section 1.10 and Section 1.14 of these Bylaws, and (C) who complies with the requirements of Rule 14a-19 under the Exchange Act. The foregoing clause (z) and Section 1.15 shall be the exclusive means for a stockholder to submit any director nomination. All nominations made by any Eligible Stockholder must be made pursuant to timely notice in proper written form to the Secretary of the corporation. To be timely with respect to nominees to be considered at any annual meeting of stockholders, an Eligible Stockholder's notice shall be delivered to or mailed and received by the Secretary of the corporation at the principal executive offices of the corporation not later than the one hundred twentieth (120th) day, nor earlier than the one hundred fiftieth (150th) day, prior to the anniversary date of the immediately preceding annual meeting; provided, however, that in the event that no annual meeting was held in the previous year or the annual meeting is called for a date that is not within twenty-five (25) days before or after such anniversary date, notice by the Eligible Stockholder to be timely must be so received not later than the tenth (10th) day following the day on which such notice of the date of the meeting was mailed or public disclosure (as defined below) of the date of the meeting was first made, whichever occurs first. To be timely with respect to nominees to be considered at a special meeting of the stockholders, an Eligible Stockholder's notice for nominations to be made at a special meeting must be delivered to or mailed and received by the Secretary of the corporation at the principal executive offices of the corporation not later than the one hundred twentieth (120th) day, nor earlier than the one hundred fiftieth (150th) day, prior to such special meeting or, if later, the tenth (10th) day following the day on which public disclosure (as defined herein) of the date of such special meeting was first made. To be in proper written form, an Eligible Stockholder's notice shall set forth in writing (i) as to each person whom the Eligible Stockholder proposes to nominate for election or re-election as a director (the "**Nominee**"), (A) the name, age, business address and residence address of such Nominee, (B) the principal occupation or employment of such Nominee, (C) a description of all direct and indirect compensation and other material agreements, arrangements and understandings, and any other material relationships, in any such case during the past three years, between or among the Eligible Stockholder, any Proposing Stockholder (as defined below) and/or any Stockholder

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Associated Person (as defined below) thereof with respect to such nomination, on the one hand, and each Nominee and his or her respective Affiliates and Associates (as such terms are defined below), or others acting in concert therewith, on the other hand, including, without limitation, all information that would be required to be disclosed pursuant to Item 404 of Regulation S-K if such Eligible Stockholder, such Proposing Stockholder and any Stockholder Related Person were the registrant for purposes of such Item 404 and such Nominee were a director or executive officer of such registrant, (D) all information with respect to the Nominee that would be required to be provided to the corporation pursuant to clause (b) of this paragraph below if the Nominee were a Proposing Stockholder with respect to the nomination of any person for election as a director of the corporation, (E) any other information relating to the Nominee that would be required to be disclosed in a proxy statement or other filings required to be made in connection with the solicitations of proxies in a contested election of directors, in each case pursuant to Section 14 of the Exchange Act, and the rules and regulations promulgated thereunder (including, without limitation, the Nominee's written consent to being nominated as a director and to serving as a director if elected), and (F) a fully completed and signed questionnaire, representations and agreement required by Section 1.10(b), copies of which may be obtained upon request to the Secretary of the corporation, and (ii) as to the Eligible Stockholder and any Proposing Stockholder with respect to the Nominee, (A) the name and address, as they appear on the corporation's books and otherwise, of the Eligible Stockholder, any Proposing Stockholder and any Stockholder Associated Person thereof covered by clauses (B)-(D) below, (B) the class and number of shares of stock of the corporation which are directly or indirectly beneficially owned (within the meaning of Rule 13d-3 under the Exchange Act) (provided that a person shall in all events be deemed to beneficially own any shares of any class or series and number of shares of stock of the corporation as to which such person has a right to acquire beneficial ownership at any time in the future) and/or owned of record by such Eligible Stockholder, such Proposing Stockholder and any Stockholder Associated Person thereof, including, if such Proposing Stockholder is a beneficial owner holding shares in "street name" through a broker, bank or other nominee, a written statement from such broker, bank or nominee verifying such ownership, (C) a description of any economic interest in or in respect of or any other right with respect to (including from a third party), any equity, debt or other securities of the corporation (or any rights, options or other securities convertible into or exercisable or exchangeable for such securities or any obligations measured by the price or value of any securities of the corporation, including, without limitation, any swaps or other derivative arrangements), including any short interest or other borrowing arrangement in respect of any securities of the corporation (collectively, the "**Derivative Securities**"), held by such Eligible Stockholder, such Proposing Stockholder and any Stockholder Associated Person thereof, (D) a description of all agreements, arrangements, proxies and understandings between such Eligible Stockholder, such Proposing Stockholder or any Stockholder Associated Person thereof, on the one hand, and any other person(s) (including any Stockholder Associated Person, or the Nominee), on the other

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hand, in connection with or related to the ownership or voting of capital stock of the corporation or the Derivative Securities (including, without limitation, pursuant to which such Eligible Stockholder, such Proposing Stockholder or any Stockholder Associated Person thereof has a right to vote any shares or other securities of the corporation), or the proposed director nomination or potential service of the Nominee on the Board of Directors, (E) any information relating to such Eligible Stockholder, such Proposing Stockholder or any Stockholder Associated Person thereof that would be required to be disclosed in a proxy statement or other filing required to be made in

connection with solicitations of proxies in a contested election of directors pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder, (F) a representation that the Eligible Stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting, and (G) a representation that the Eligible Stockholder or a Qualified Representative (as defined below) thereof intends to appear in person at the meeting to propose such nomination. Such Eligible Stockholder's notice shall, with respect to any Nominee, be accompanied by a certificate executed by the Eligible Stockholder certifying that such Eligible Stockholder: (i) will comply with Rule 14a-19 (or any successor provision) promulgated under the Exchange Act in connection with such Eligible Stockholder's solicitation of proxies in support of any Nominee, (ii) will notify the corporation as promptly as practicable of any determination by the Eligible Stockholder to no longer solicit proxies for the election of any Nominee as a director at an annual meeting or special meeting, (iii) will furnish such other or additional information as the corporation may request for the purpose of determining whether the requirements of this Section 1.10 have been complied with and evaluating any nomination described in the Eligible Stockholder's notice and (iv) will appear in person or by proxy at the meeting to nominate any Nominees and acknowledging that if the Eligible Stockholder does not so appear in person or by proxy at the meeting to nominate such Nominee the corporation need not bring such Nominee for a vote at such meeting and any proxies or votes cast in favor of the election or any such Nominee need not be counted or considered. In addition, any such Eligible Stockholder shall provide to the corporation such additional information that the corporation may reasonably request from time to time regarding the Eligible Stockholder, any Proposing Stockholder or any Stockholder Associated Person thereof, if any, and/or to determine the eligibility or qualifications of the Nominee to serve as a director or an independent director, or that could be material to a reasonable stockholder's understanding of the qualifications and/or independence, or lack thereof, of the Nominee as a director. At the request of the Board of Directors, any person nominated by the Board of Directors for election as a director shall furnish to the Secretary of the corporation that information required to be set forth in a stockholder's notice of nomination which pertains to the nominee. No person shall be eligible for election as a director of the corporation unless nominated in accordance with this Section 1.10 and, if applicable, Section 1.15 of these Bylaws. An Eligible Stockholder shall have no right to (i) nominate a number of Nominees that exceeds the number of directors to be elected at the meeting or (ii) substitute or replace any Nominee unless such substitute or replacement is nominated in accordance with this Section 1.10 and Rule 14a-19 (including the timely provision of all information and representations with respect to such substitute or replacement Nominee in accordance with the deadlines set forth in this Section 1.10). If the corporation provides notice to an Eligible Stockholder that the number of Nominees proposed by such stockholder exceeds the number of directors to be elected at a meeting, the stockholder must provide written notice to the corporation within five (5) business days stating the names of the Nominees that have been withdrawn so that the number of Nominees proposed by such stockholder no longer exceeds the number of directors to be elected at a meeting. If any Nominee becomes unwilling or unable to serve on the Board of Directors, then the nomination with respect to such individual shall no longer be valid and no votes may be validly cast for such individual. Nothing in this Section 1.10 shall be deemed to affect any rights of the holders of any series of preferred stock to elect directors pursuant to any applicable provisions of the Certificate of Incorporation of the corporation or certificate of designations establishing the terms of such preferred stock.

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(b) To be eligible to be a nominee for election or reelection as a director of the corporation, such nominee must deliver (in accordance with the time periods prescribed for delivery of notice under Section 1.10(a), or, in the case of a Stockholder Nominee (as defined below), the time periods prescribed for delivery of a Proxy Access Notice under Section 1.15 of these Bylaws) to the Secretary at the principal executive offices of the corporation (i) a written questionnaire with respect to the background and qualification of such nominee and the background of any other person or entity on whose behalf the nomination or recommendation for nomination, as the case may be, is being made (which questionnaire shall be provided by the Secretary of the corporation upon written request), (ii) a written representation and agreement (in the form provided by the Secretary of the corporation upon written request) that such nominee (A) is not and will not become a party to (1) any agreement, arrangement or understanding with, and has not and will not give any commitment or assurance to, any person or entity as to how such person, if elected as a director of the corporation, will act or vote as a director on any issue or question to be decided by the Board of Directors (a "**Voting Commitment**") that has not been disclosed to the corporation or (2) any Voting Commitment that could limit or interfere with such person's ability to comply, if elected as a director of the corporation, with such person's fiduciary duties under applicable law, (B) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed therein, (C) in such nominee's individual capacity and on behalf of any person or entity on whose behalf the nomination is being made, would be in compliance, if elected as a director of the corporation, and will comply with all applicable publicly disclosed corporate governance, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of the corporation, (D) consents to being named as a nominee in any proxy statement at any meeting for the election of directors and any associated form of proxy pursuant to Rule 14a-4(d) under the Exchange Act and any associated proxy card, (E) will serve as a director of the corporation if elected and will notify the corporation simultaneously with the notification to the Proposing Stockholder of the nominee's actual or potential unwillingness or inability to serve as a director and (F) will abide by the requirements of Section 1.9 of these Bylaws.

SECTION 1.11 Notice Of Stockholder Proposals. At any meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before a meeting, any such business (other than the nomination for election to the Board of Directors, which must comply with the provisions of Section 1.10) must be a proper matter for stockholder action, and must be (a) specified in the corporation's notice of the meeting (or any supplement thereto), (b) otherwise properly brought before the meeting by or at the direction of the Board of Directors, or (c) with respect to any annual meeting of stockholders or special meeting of stockholders (but, in the case of a special meeting of stockholders, only if such business is a matter specified in the notice of meeting given by or at the direction of the person calling such special meeting), otherwise properly brought before the meeting by a stockholder (i) who is an Eligible Stockholder, and (ii) who complies with the provisions set forth in this Section 1.11 and Section 1.14 of these Bylaws. The foregoing clause (c) shall be the exclusive means for a stockholder to propose any business at any stockholders' meeting; provided, however, that nothing set forth in this Section 1.11 or Section 1.14 of these Bylaws shall be deemed to affect any right of stockholders to request the inclusion of any stockholder proposal in the corporation's proxy statement pursuant to Rule 14a-

8 under the Exchange Act. For business to be properly brought before a meeting by a stockholder, the Eligible Stockholder must have given timely notice in proper written form to the Secretary of the corporation. To be timely with respect to business to be considered at any annual meeting of stockholders, an Eligible Stockholder's notice must be delivered to or mailed and received by the Secretary of the corporation at the principal executive offices of the corporation not later than the one hundred twentieth (120th) day, nor earlier than the one hundred fiftieth (150th) day, prior to the anniversary date of the immediately preceding annual meeting; provided, however, that in the event that no annual meeting was held in the previous year or the annual meeting is called for a date that is not within twenty-five (25) days before or after such anniversary date, notice by the Eligible Stockholder to be timely must be so received not later than the tenth (10th) day following the day on which such notice of the date of the meeting was mailed or public disclosure (as defined herein) of the date of the meeting was first made, whichever occurs first. To be timely with respect to business to be considered at a special meeting of the stockholders, an Eligible Stockholder's notice must be delivered to or mailed and received by the Secretary of the corporation at the principal executive offices of the corporation not later than the one hundred twentieth (120th) day, nor earlier than the one hundred fiftieth (150th) day, prior to such special meeting or, if later, the tenth (10th) day following the day on which public disclosure (as defined herein) of the date of such special meeting was first made. To be in proper written form, an Eligible Stockholder's notice to the Secretary of the corporation shall set forth (a) as to the Eligible Stockholder, any Proposing Stockholder and any Stockholder Associated Person thereof, all information and representations described in clauses (a)(ii)(A)-(G) of Section 1.10 of these Bylaws (substituting references to the proposed nomination with the proposed business, where applicable), (b) as to each matter the Eligible Stockholder proposes to bring before the meeting, a brief description

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of the business desired to be brought before the meeting, including the complete text of any resolutions intended to be presented at the meeting and in the event that such business includes a proposal to amend the Bylaws, the language of the proposed amendment, and the reasons for conducting such business at the meeting, (c) as to each matter the Eligible Stockholder proposes to bring before any special meeting of the stockholders of the corporation the information required by Section 1.3 of these Bylaws and (d) any material interest of the Eligible Stockholder, any Proposing Stockholder or any Stockholder Associated Person thereof in such business, including a description of all agreements, arrangements and understandings between such Eligible Stockholder, such Proposing Stockholder or any Stockholder Associated Person thereof, on the one hand, and any other person(s) (including any Stockholder Associated Person), on the other hand (including the name(s) of such other person(s)) in connection with or related to the proposal of such business. In addition, any such Eligible Stockholder shall provide to the corporation such additional information that the corporation may reasonably request from time to time regarding such Eligible Stockholder, any Proposing Stockholder or any Stockholder Associated Person thereof, if any, and/or the business that such Eligible Stockholder proposes to bring before the meeting. Notwithstanding anything in these Bylaws to the contrary, no business shall be conducted at any meeting of stockholders except in accordance with the provisions set forth in this Section 1.11.

SECTION 1.12 Action without Meeting. Stockholders may not take any action by written consent in lieu of a meeting.

SECTION 1.13 Organization; Administration of the Meeting.

(a) The Chair of the Board, or in the Chair's absence the Vice Chair of the Board designated by the Chair of the Board, or the Chief Executive Officer (or, if there is no Chief Executive Officer, the President), in the order named, shall call meetings of the stockholders to order, and shall act as chair of such meeting; provided, however, that the Board of Directors may appoint any stockholder to act as chair of any meeting in the absence of the Chair of the Board. The Secretary of the corporation shall act as secretary at all meetings of the stockholders; but in the absence of the Secretary of the corporation at any meeting of the stockholders, the presiding officer may appoint any person to act as secretary of the meeting.

(b) The Board of Directors shall, in advance of any meeting of stockholders, appoint one or more inspector(s), who may include individual(s) who serve the corporation in other capacities, including without limitation as officers, employees or agents, to act at the meeting of stockholders and make a written report thereof. The Board of Directors may designate one or more persons as alternate inspector(s) to replace any inspector, who fails to act. If no inspector or alternate has been appointed or is able to act at a meeting of stockholders, the Chair of the meeting shall appoint one or more inspector(s) to act at the meeting. Each inspector, before discharging his or her duties, shall take and sign an oath to faithfully execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspector(s) or alternate(s) shall have the duties prescribed pursuant to Section 231 of the DGCL or other applicable law.

(c) Subject to the DGCL or other applicable law, the Board of Directors shall be entitled to make such rules or regulations for the conduct of meetings of stockholders as it shall deem necessary, appropriate or convenient. Subject to the DGCL or other applicable law and such rules and regulations, if any, the Chair of the meeting shall have the right and authority to prescribe such rules, regulations and procedures and to do all acts as, in the judgment of such Chair, are necessary, appropriate or convenient for the proper conduct of the meeting, including without limitation establishing an agenda of business of the meeting, rules or regulations to maintain order, restrictions on entry to the meeting after the time fixed for commencement thereof and the fixing of the date and time of the opening and closing of the polls for each matter upon which the stockholders will vote at a meeting (and shall announce such at the meeting). In addition, the Chair of the meeting shall have the power to adjourn any meeting of stockholders, in accordance with applicable legal requirements.

(d) Notwithstanding anything contained herein to the contrary, if an Eligible Stockholder (or a Qualified Representative thereof) does not appear at a meeting of stockholders of the corporation to present a nomination or business proposed pursuant to Section 1.10 or Section 1.11 hereof, respectively, or any Rule 14a-8 stockholder proposal, as applicable, unless otherwise determined by the corporation in advance of such meeting, the Chair of the meeting may determine and declare that such nomination shall be disregarded and such proposed business or Rule 14a-8 proposal shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the corporation. For purposes of this Section 1.13(d), to be considered a "**Qualified Representative**" of the Eligible Stockholder, a person must be a duly authorized officer or other agent of such Eligible Stockholder, or must be authorized by a writing executed by such Eligible Stockholder or an electronic transmission delivered

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by such Eligible Stockholder to act for such Eligible Stockholder as proxy at the meeting of stockholders in accordance with applicable law, and such person must produce such writing or electronic

transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of stockholders and provide a copy thereof at, or in advance of, the meeting to the Secretary of the corporation.

SECTION 1.14 General Provisions Regarding Nominations and Proposals.

(a) An Eligible Stockholder providing notice of a nomination or business proposed to be brought before a meeting in accordance with Section 1.10 or Section 1.11, as applicable, of these Bylaws shall further update and supplement such notice, (i) if necessary, so that the information provided or required to be provided in such notice pursuant to Section 1.10 or Section 1.11, as applicable, of these Bylaws shall be true and correct as of the record date for the meeting and as of the date that is ten (10) business days prior to the meeting or any adjournment or postponement thereof, and such update and supplement shall be delivered to the Secretary of the corporation not later than five (5) business days after the record date for the meeting (in the case of the update and supplement required to be made as of the record date), and not later than five (5) business days prior to the date for the meeting, or if practicable (or, if not practicable, on the first practicable date prior to), any adjournment or postponement thereof (in the case of the update and supplement required to be made as of ten (10) business days prior to the meeting or any adjournment or postponement thereof), and (ii) with respect to notice of a nomination in accordance with Section 1.10, to provide reasonable evidence that a stockholder providing notice of any nomination has satisfied the solicitation requirement of under Rule 14a-19 (or any successor provision) promulgated under the Exchange Act and such update and supplement shall be delivered to or be mailed to and received by the Secretary at the principal executive offices of the Corporation not later than five (5) business days after the stockholder files a definitive proxy statement in connection with such meeting.

(b) If (i) any information required to be provided pursuant to Section 1.10 or Section 1.11, as applicable, of these Bylaws or Section 1.14(a) of these Bylaws, in connection with any proposed director nomination or business (the "**Required Information**"), is not provided, (ii) any Required Information is inaccurate in any material respect, or (iii) the Eligible Stockholder, any Proposing Stockholder and/or any Stockholder Associated Person thereof have not acted in accordance with the representations made in the Required Information, then, as applicable, the nomination proposed by any such Eligible Stockholder shall be deemed not to have been provided in accordance with these Bylaws, and the business proposed by any such Eligible Stockholder shall be deemed not to properly before the meeting in accordance with these Bylaws.

(c) The Chair of the meeting shall, if the facts warrant, determine that a nomination was not provided in accordance with these Bylaws or that business was not properly brought before the meeting in accordance with these Bylaws, as applicable, and if the Chair should so determine, he shall so declare to the meeting and any such nomination shall be disregarded and any such business not properly brought before the meeting shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the corporation.

(d) In no event shall the adjournment of a meeting of stockholders or (to the extent permitted by applicable law) postponement of a meeting of stockholders for which notice has

already been given, commence a new time period (or extend any time period) for the giving of a stockholder's notice as described in Section 1.10 or Section 1.11 of these Bylaws.

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(e) In addition to complying with the terms of these Bylaws, an Eligible Stockholder, any Proposing Stockholder and any Stockholder Associated Person thereof shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in Section 1.10 and Section 1.11 of these Bylaws; provided, however, that any references in Section 1.10, Section 1.11, Section 1.14 and Section 1.15 of these Bylaws to the Exchange Act, or the rules promulgated thereunder, are not intended to and shall not limit the requirements applicable to nominations or proposals as to any other business to be considered pursuant to Section 1.10 or Section 1.11 of these Bylaws.

(f) For purposes of these Bylaws, (i) "**Affiliates**" and "**Associates**" shall have the meanings given such terms in Rule 12b-2 under the Exchange Act, (ii) "**Proposing Stockholder**" means the stockholder of record of the corporation making any director nomination or proposing any business pursuant to Section 1.10 or Section 1.11, as applicable, of these Bylaws or, if different, the beneficial owner of shares of capital stock of the corporation on whose behalf any director nomination or business is proposed pursuant to Section 1.10 or Section 1.11, as applicable, of these Bylaws (iii) "**Stockholder Associated Person**" of any Proposing Stockholder means (A) any Affiliate or Associate of such Proposing Stockholder, (B) any person directly or indirectly controlling, controlled by or under common control with any such Stockholder Associated Person referred to in clause (A) above, or (C) any person acting in concert, in respect of any matter involving the corporation or its securities, with such Proposing Stockholder or any Stockholder Associated Person referenced in clauses (A) or (B) above, and (iv) "public disclosure" includes disclosure in a press release reported by the Dow Jones News Service, Associated Press or a comparable national news service or in a document publicly filed by the corporation with the Securities and Exchange Commission.

SECTION 1.15 Proxy Access for Director Nominations.

(a) With respect to the election of directors at an annual meeting of the stockholders, subject to the provisions of this Section 1.15, the corporation shall include in its proxy statement for such annual meeting, in addition to any persons nominated for election by the Board of Directors or any committee thereof, the name, together with the "**Proxy Access Required Information**," of any person or persons, as applicable, nominated for election (the "**Stockholder Nominee(s)**") to the Board of Directors by an individual eligible stockholder or group of up to twenty (20) eligible stockholders that satisfy the requirements of this Section 1.15 (such eligible person or eligible group, the "**Proxy Access Eligible Stockholder**"), and who expressly elects at the time of providing the notice required by this Section 1.15 (the "**Proxy Access Notice**") to have its nominee or nominees, as applicable, included in the corporation's proxy materials pursuant to this Section 1.15; provided, however, that a stockholder who has a contractual right, or has contractually limited such stockholder's right, to designate one or more nominees for director shall not be, and any Affiliate of such stockholder shall not be, a Proxy Access Eligible Stockholder, and shall not be eligible to participate in a group of stockholders constituting a Proxy Access Eligible Stockholder.

(b) To be timely for purposes of this Section 1.15, the Proxy Access Notice must be made by notice in writing delivered to, or mailed and received by, the Secretary of the corporation, at the principal executive offices of the corporation not later than the one hundred twentieth (120th) day nor earlier than the one hundred fiftieth (150th) day prior to the first anniversary of the date that the corporation mailed its proxy statement for the preceding year's annual meeting of stockholders; provided, however, that in the event that no annual meeting of stockholders was held in the previous year or the annual meeting of stockholders is called for a date that is not within thirty (30) days before or after such anniversary date, such Proxy Access Notice shall be made by notice in writing delivered to, or mailed and received by, the Secretary of the corporation not later than the one hundred twentieth (120th) day prior to such anniversary date for the mailing of its proxy statement or, if later, the tenth (10th) day following the day on which notice of the date of the meeting was mailed or public disclosure (as defined in herein) of the date of such annual meeting of stockholders was first made, whichever occurs first. In no event will an adjournment or postponement of an annual meeting of stockholders or the announcement thereof commence a new time period for the giving of a Proxy Access Notice as provided above.

(c) The maximum number of Stockholder Nominees nominated by all Proxy Access Eligible Stockholders that will be required to be included in the corporation's proxy materials with respect to an annual meeting of stockholders shall not exceed the greater of (i) two (2) or (ii) the Specified Percentage of the number of directors in office as of the last day on which a Proxy Access Notice may be timely delivered pursuant to and in accordance with this Section 1.15 (the "**Final Proxy Access Nomination Date**"), rounded down to the closest whole number below the Specified Percentage if such amount is not a whole number; provided, however, that the maximum number of Stockholder Nominees shall be reduced by (A) the number of director candidates for which the corporation shall have received one or more valid stockholder notices pursuant to Section 1.10 of these

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Bylaws, (B) the number of directors in office or director candidates that in either case will be included in the corporation's proxy materials with respect to such an annual meeting of stockholders as an unopposed (by the corporation) nominee pursuant to an agreement, arrangement or other understanding with a stockholder or group of stockholders (other than any such agreement, arrangement or understanding entered into in connection with an acquisition of capital stock, by such stockholder or group of stockholders, from the corporation) and (C) the number of directors in office that will be included in the corporation's proxy materials with respect to such annual meeting of stockholders for whom access to the corporation's proxy materials was previously provided pursuant to this Section 1.15, other than any such director referred to in clause (B) or this clause (C) who at the time of such annual meeting of stockholders will have served as a director continuously as a nominee of the Board of Directors for at least three annual terms. In the event that one or more vacancies for any reason occurs on the Board of Directors after the Final Proxy Access Nomination Date but before the date of the annual meeting of stockholders and the Board of Directors resolves to reduce the size of the Board of Directors in connection therewith, the maximum number of Stockholder Nominees included in the corporation's proxy materials shall be calculated based on the number of directors in office as so reduced. Any individual nominated by a Proxy Access Eligible Stockholder for inclusion in the corporation's proxy materials pursuant to this Section 1.15 whom the Board of Directors decides to nominate as a nominee for director shall be counted as one of the Stockholder Nominees for purposes of determining when the maximum number of Stockholder Nominees provided for in this

Section 1.15 has been reached. Any Proxy Access Eligible Stockholder submitting more than one Stockholder Nominee for inclusion in the corporation's proxy materials pursuant to this Section 1.15 shall rank such Stockholder Nominees based on the order that the Proxy Access Eligible Stockholder desires such Stockholder Nominees to be selected for inclusion in the corporation's proxy statement in the event that the total number of Stockholder Nominees submitted by Proxy Access Eligible Stockholders pursuant to this Section 1.15 exceeds the maximum number of nominees provided for in this Section 1.15. In the event that the number of Stockholder Nominees submitted by Proxy Access Eligible Stockholders pursuant to this Section 1.15 exceeds the maximum number of nominees provided for in this Section 1.15, the highest ranking Stockholder Nominee who meets the requirements of this Section 1.15 from each Proxy Access Eligible Stockholder will be selected for inclusion in the corporation's proxy materials until the maximum number is reached, going in order of the amount (largest to smallest) of shares of Common Stock each Proxy Access Eligible Stockholder disclosed as owned in its respective Proxy Access Notice submitted to the corporation. If the maximum number is not reached after the highest ranking Stockholder Nominee who meets the requirements of this Section 1.15 from each Proxy Access Eligible Stockholder has been selected, this process will continue as many times as necessary, following the same order each time, until the maximum number is reached. Notwithstanding anything to the contrary contained in this Section 1.15, if the corporation receives notice pursuant to Section 1.10 of these Bylaws that a stockholder intends to nominate for election at such meeting a number of nominees greater than or equal to a majority of the total number of directors to be elected at such meeting, no Stockholder Nominees will be included in the corporation's proxy materials with respect to such meeting pursuant to this Section 1.15.

(d) For purposes of this Section 1.15:

(i) the term "**Affiliate**" or "**Affiliates**" shall have the meaning ascribed thereto in Section 1.14(f) of these Bylaws;

(ii) the "**Minimum Holding Period**" is three (3) years;

(iii) the "**Proxy Access Required Information**" that the corporation will include in its proxy statement is the information provided to the Secretary of the corporation concerning the Stockholder Nominee(s) and the Proxy Access Eligible Stockholder that is required to be disclosed in the corporation's proxy statement by Section 14 of the Exchange Act, and the rules and regulations promulgated thereunder, and, if the Proxy Access Eligible Stockholder so elects, a written statement, not to exceed 500 words, in support of the Stockholder Nominee(s)' candidacy (the "**Statement**"). Notwithstanding anything to the contrary contained in this Section 1.15, the corporation may omit from its proxy materials any information or Statement (or portion thereof) that it, in good faith, believes would violate any applicable law or regulation;

(iv) the "**Required Ownership Percentage**" is 3% or more;

(v) the "**Specified Percentage**" is 20%; and

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(vi) a Proxy Access Eligible Stockholder shall be deemed to "own" only those outstanding shares of the Common Stock as to which the stockholder possesses both (A) the full voting and investment rights pertaining to the shares and (B) the full economic interest in (including the opportunity for profit from and risk of loss on) such shares; provided, that the number of shares calculated in accordance with clauses (A) and (B) shall not include any shares (1) sold by such stockholder or any of its Affiliates in any transaction that has not been settled or closed, (2) borrowed by such stockholder or any of its Affiliates for any purposes or purchased by such stockholder or any of its Affiliates pursuant to an agreement to resell or (3) subject to any option, warrant, forward contract, swap, contract of sale, other derivative or similar agreement entered into by such stockholder or any of its Affiliates, whether any such instrument or agreement is to be settled with shares of Common Stock or with cash based on the notional amount or value of shares of outstanding Common Stock subject thereto, in any such case which instrument or agreement has, or is intended to have, the purpose or effect of (x) reducing in any manner, to any extent or at any time in the future, such stockholder's or its Affiliates' full right to vote or direct the voting of any such shares, and/or (y) hedging, offsetting or altering to any degree any gain or loss realized or realizable arising from maintaining the full economic ownership of such shares by such stockholder or Affiliate. For purposes of this Section 1.15, a stockholder shall "own" shares held in the name of its bank, broker or other nominee or intermediary so long as the stockholder retains the right to instruct how the shares are voted with respect to the election of directors and possesses the full economic interest in the shares through the annual meeting date. A stockholder's ownership of shares shall be deemed to continue during any period in which the stockholder has delegated any voting power by means of a proxy, power of attorney or other instrument or arrangement which is revocable at any time by the stockholder. A stockholder's ownership of shares shall be deemed to continue during any period in which the stockholder has loaned such shares, provided that the person has the power to recall such loaned shares on no more than five (5) business days' notice and (A) will promptly recall such loaned shares upon being notified that any of its Stockholder Nominees will be included in the corporation's proxy materials and (B) will continue to hold such recalled shares through the annual meeting date. The terms "owned," "owning" and other variations of the word "own" shall have correlative meanings. Whether outstanding shares of the Common Stock of the corporation are "owned" for these purposes shall be determined by the Board of Directors or any committee thereof, which determination shall be conclusive and binding on the Corporation and its stockholders.

(e) In order to make a nomination pursuant to this Section 1.15, a Proxy Access Eligible Stockholder must have owned the Required Ownership Percentage of the outstanding Common Stock (the "**Required Shares**") continuously for the Minimum Holding Period as of both the date the Proxy Access Notice is delivered to or mailed to and received by the Secretary of the corporation in accordance with this Section 1.15 and the record date for determining the stockholders entitled to vote at the annual meeting of stockholders and must continue to own the Required Shares through such annual meeting date. A Proxy Access Eligible Stockholder shall certify in its Proxy Access Notice the number of eligible shares of the outstanding Common Stock it asserts it is deemed to own for the purposes of this Section 1.15. The aggregate number of stockholders whose collective stock ownership may be counted for the purpose of satisfying

the Required Ownership Percentage shall not exceed twenty (20) and no stockholder may be a member of more than one group under this Section 1.15(e). Two or more funds that are part of the same family of funds under common management and investment control (a "**Qualifying Fund Family**") shall be treated as one stockholder for the purpose of determining the aggregate number of stockholders in this Section 1.15. No later than the end of the time period specified in this Section 1.15 for delivering the Proxy Access Notice, a Qualifying Fund Family whose stock ownership is counted for purposes of qualifying as a Proxy Access Eligible Stockholder must provide to the Secretary of the corporation documentation reasonably

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satisfactory to the Board of Directors, or any committee thereof, that demonstrates that the funds comprising the Qualifying Fund Family satisfy the definition thereof. Within the time period specified in this Section 1.15 for delivering the Proxy Access Notice, a Proxy Access Eligible Stockholder (including each stockholder and fund compromising a Qualifying Fund Family) must provide the following information in writing to the Secretary of the corporation: (i) one or more written statements from the record holder of the shares (and from each intermediary through which the shares are or have been held during the Minimum Holding Period) verifying that, as of a date within seven (7) calendar days prior to the date the Proxy Access Notice is delivered to or mailed to and received by the Secretary of the corporation, the Proxy Access Eligible Stockholder owns, and has owned continuously for the Minimum Holding Period, the Required Shares, and the Proxy Access Eligible Stockholder's agreement to provide, within (5) five business days after the record date for the annual meeting of stockholders, written statements from the record holder and intermediaries verifying the Proxy Access Eligible Stockholder's continuous ownership of the Required Shares through the record date; (ii) a copy of the Schedule 14N that has been filed with the Securities and Exchange Commission as required by Rule 14a-18 under the Exchange Act; (iii) the information and representations that are the same as those that would be required to be set forth in a stockholder's notice of nomination pursuant to Section 1.10 of these Bylaws; (iv) the consent of each Stockholder Nominee to being named in the corporation's proxy statement as a nominee and to serving as a director if elected; (v) a representation that the Proxy Access Eligible Stockholder (A) acquired the Required Shares in the ordinary course of business and not with the intent to change or influence control at the corporation, and does not have any such intent, (B) will maintain qualifying ownership of the Required Shares through the date of the annual meeting of stockholders, (C) has not engaged and will not engage in, and has not and will not be a "participant" in another person's, "solicitation" within the meaning of Rule 14a-1(l) under the Exchange Act in support of the election of any individual as a director at the annual meeting of stockholders other than its Stockholder Nominee(s) or a nominee of the Board of Directors, (D) will not distribute to any stockholder any form of proxy for the meeting other than the form distributed by the corporation, (E) has not nominated and will not nominate for election any individual as a director at the annual meeting of stockholders other than its Stockholder Nominee(s), (F) agrees to comply with all applicable laws, rules and regulations with respect to any solicitation in connection with the meeting and will file with the Securities and Exchange Commission any solicitation or other communication with the corporation's stockholders relating to the meeting at which the Stockholder Nominee will be nominated, regardless of whether any such filing is required under Regulation 14A of the Exchange Act or an exemption from filing is available thereunder, and (G) will provide facts, statements and other information in all communications with the corporation and its stockholders that are or will be true and correct in all material respects and do not and will not omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not

misleading; (vi) an undertaking that the Proxy Access Eligible Stockholder agrees to (A) assume all liability stemming from any legal or regulatory violation arising out of the Proxy Access Eligible Stockholder's communications with the stockholders of the corporation or out of the information that the Proxy Access Eligible Stockholder provided to the corporation and (B) indemnify and hold harmless the corporation and each of its directors, officers and employees individually against any liability, loss or damages in connection with any threatened or pending action, suit or proceeding, whether legal, administrative or investigative, against the corporation or any of its directors, officers or employees arising out of any nomination submitted by the Proxy Access Eligible Stockholder pursuant to this Section 1.15; (vii) a representation as to the Proxy Access Eligible Stockholder's intentions with respect to maintaining qualifying ownership of the Required Shares for at least one year following the annual meeting of stockholders (which representation the Proxy Access Eligible Stockholder shall also include in its Statement, it being understood that the inclusion of such representation therein shall not count towards the Statement's 500-word limit); and (viii) in the case of a nomination under this Section 1.15 by a group of stockholders, the designation by all group members of one group member that is authorized to act on behalf of all members of the nominating stockholder group with respect to the nomination and matters related thereto, including withdrawal of the nomination. For the avoidance of doubt, in the event that the Proxy Access Eligible Stockholder consists of a group of stockholders, the requirements and obligations applicable to an individual Proxy Access Eligible Stockholder that are set forth in these Bylaws, including the Minimum Holding Period, shall apply to each member of such group individually; provided, however, that the Required Ownership Percentage shall apply to the continuous ownership of the eligible group in the aggregate.

(f) Within the time period specified in this Section 1.15 for delivering the Proxy Access Notice, each Stockholder Nominee must deliver to the Secretary of the corporation at the principal executive offices of the corporation the representations, agreements and other information required by Section 1.10 of these Bylaws.

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(g) In the event that any information or communications provided by the Proxy Access Eligible Stockholder or any Stockholder Nominees to the corporation or its stockholders ceases to be true and correct in all material respects or omits a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading, each Proxy Access Eligible Stockholder or Stockholder Nominee, as the case may be, shall promptly notify the Secretary of the corporation of any defect in such previously provided information and of the information that is required to correct any such defect; it being understood that providing any such notification shall not be deemed to cure any such defect or limit the remedies (including without limitation under these Bylaws) available to the corporation relating to any such defect.

(h) The corporation shall not be required to include, pursuant to this Section 1.15, a Stockholder Nominee in its proxy materials for any meeting of stockholders (i) whose election as a member of the Board of Directors would cause the corporation to be in violation of these Bylaws, the corporation's Certificate of Incorporation, the rules and listing standards of the principal U.S. exchanges upon which the Common Stock is traded, or any applicable state or federal law, rule or regulation; (ii) for which the Secretary of the corporation receives a notice that a stockholder has nominated such Stockholder Nominee for election to the Board of

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Directors pursuant to the advance notice requirements for stockholder nominees for director set forth in Section 1.10 of these Bylaws; (iii) who is not independent under the listing standards of each principal U.S. exchange upon which the Common Stock is listed, any applicable rules of the Securities and Exchange Commission and any publicly disclosed standards used by the Board of Directors in determining and disclosing independence of the corporation's directors, in each case as determined by the Board of Directors; (iv) if the Proxy Access Eligible Stockholder that has nominated such Stockholder Nominee or any such Stockholder Nominee has engaged in or is currently engaged in, or has been or is a "participant" in another person's, "solicitation" within the meaning of Rule 14a-1(l) under the Exchange Act in support of the election of any individual as a director at the annual meeting of stockholders other than the Proxy Access Eligible Stockholder's Stockholder Nominee(s) or a nominee of the Board of Directors; (v) if the Stockholder Nominee is or becomes a party to any compensatory, payment or other financial agreement, arrangement or understanding with any person or entity other than the corporation, or is receiving or will receive any such compensation or other payment from any person or entity other than the corporation, in each case in connection with service as a director of the corporation; (vi) if the Stockholder Nominee is or becomes a party to any Voting Commitment; (vii) who is or has been, within the past three years, an officer or director of a competitor, as defined in Section 8 of the Clayton Antitrust Act of 1914; (viii) who is a named subject of a pending criminal proceeding (excluding traffic violations and other minor offenses) or has been convicted in such a criminal proceeding within the past ten (10) years; (ix) who is subject to any order of the type specified in Rule 506(d) of Regulation D promulgated under the Securities Act of 1933, as amended; (x) if such Stockholder Nominee or the applicable Proxy Access Eligible Stockholder shall have provided information to the corporation in respect to such nomination that was untrue in any material respect or omitted to state a material fact necessary in order to make the statement made, in light of the circumstances under which they were made, not misleading, as determined by the Board of Directors or any committee thereof; or (xi) the Proxy Access Eligible Stockholder or applicable Stockholder Nominee fails to comply with its obligations pursuant to these Bylaws, including this Section 1.15.

(i) Any Stockholder Nominee who is included in the corporation's proxy materials for a particular annual meeting of stockholders but either (i) does not receive at least 25% of the votes cast in favor of such Stockholder Nominee's election, or (ii) becomes ineligible or unavailable for or withdraws from election at the annual meeting of stockholders will be ineligible to be a Stockholder Nominee pursuant to this Section 1.15 for the next two annual meetings of stockholders. Any Proxy Access Eligible Stockholder (including each stockholder or fund comprising a Qualifying Fund Family whose stock ownership is counted for the purposes of qualifying as a Proxy Access Eligible Stockholder) whose Stockholder Nominee is elected as a director at an annual meeting of stockholders will not be eligible to nominate or participate in the nomination of a Stockholder Nominee for the following two annual meetings of stockholders other than the nomination of such previously elected Stockholder Nominee in accordance with this Section 1.15. Notwithstanding anything to the contrary set forth herein, the Board of Directors or the presiding officer of the annual meeting of stockholders shall declare a nomination by a Proxy Access Eligible Stockholder to be invalid, and such nomination shall be disregarded notwithstanding that proxies in respect of such vote may have been received by the corporation, if (A) the Stockholder Nominee(s) and/or the applicable Proxy Access Eligible Stockholder shall have breached its or their obligations under this Section 1.15, as determined by the Board of Directors or such presiding officer or (B) the Proxy Access Eligible Stockholder (or

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a Qualified Representative thereof) does not appear at the meeting of stockholders to present any nomination pursuant to this Section 1.15.

(j) Other than Rule 14a-19 under the Exchange Act, this Section 1.15 shall be the exclusive method for stockholders to include nominees for director in the corporation's proxy materials. This Section 1.15 shall not prevent a stockholder from nominating a person to the Board of Directors pursuant to and in accordance with Section 1.10 of these Bylaws instead of pursuant to and in accordance with this Section 1.15. For the avoidance of doubt, the corporation may in its sole discretion solicit against, and include in the proxy statement its own statements or other information relating to, any Proxy Access Eligible Stockholder and/or stockholder director nominees (including any Stockholder Nominee) for director, including any information provided to the corporation with respect to the foregoing.

ARTICLE II

DIRECTORS

SECTION 2.1 General Powers. The business and affairs of the corporation shall be managed by or under the direction of a Board of Directors, who may exercise all of the powers of the corporation except as otherwise provided by law, the Certificate of Incorporation or these Bylaws. In the event of a vacancy in the Board of Directors, the remaining directors, except as otherwise provided by law, may exercise the powers of the full Board until the vacancy is filled.

SECTION 2.2 Number; Election and Qualification. The number of directors which shall constitute the whole Board of Directors shall be determined by resolution of the Board of Directors, but in no event shall be less than three. The number of directors may be decreased at any time and from time to time by a majority of the directors then in office, but only to eliminate vacancies existing by reason of the death, resignation, removal or expiration of the term of one or more directors. The directors shall be elected at the annual meeting of stockholders by such stockholders as have the right to vote on such election. Directors need not be stockholders of the corporation.

SECTION 2.3 Terms of Office. Each director shall hold office until the annual meeting of stockholders for the year in which his or her term expires and until his or her successor shall be elected and shall qualify, subject, however, to prior death, resignation, retirement, disqualification or removal from office.

SECTION 2.4 Rights of Preferred Stock. Notwithstanding the provisions of this Article II, whenever the holders of one or more classes or series of Preferred Stock issued by the corporation shall have the right, voting separately or together by series, to elect directors at an annual or special meeting of stockholders, the election, term of office, filling of vacancies, and other features of such directorship shall be governed by the rights of such Preferred Stock as set forth in the certificate of designations governing such series or resolutions of the Board of Directors applicable thereto.

SECTION 2.5 Vacancies. Any vacancy on the Board of Directors, however occurring, including a vacancy resulting from an enlargement of the board, shall be filled only by a vote of

a majority of the directors then in office, although less than a quorum, or by a sole remaining director. Any director elected to fill a vacancy on the Board of Directors, whether such vacancy is the result of an increase in the number of directors or the result of a director's death, resignation, retirement, disqualification or removal, shall hold office until the next annual meeting of stockholders to occur following such director's election to the Board of Directors. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

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SECTION 2.6 Resignation. Any director may resign by delivering a written resignation to the corporation at its principal office or to the Chief Executive Officer (or, if there is no Chief Executive Officer, the President) or Secretary of the corporation. Such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some other event.

SECTION 2.7 Regular Meetings. Regular meetings of the Board of Directors may be held without notice at such time and place, either within or without the State of Delaware, as shall be determined from time to time by the Board of Directors; provided that any director who is absent when such a determination is made shall be given notice of the determination. A regular meeting of the Board of Directors may be held without notice immediately after and at the same place as the annual meeting of stockholders.

SECTION 2.8 Special Meetings. Special meetings of the Board of Directors may be held at any time and place, within or without the State of Delaware, designated in a call by the Chair of the Board, the Chief Executive Officer (or, if there is no Chief Executive Officer, the President), two or more directors, or by one director in the event that there is only a single director in office.

SECTION 2.9 Notice of Special Meetings. Notice of any special meeting of directors shall be given to each director by the Secretary of the corporation or by the officer or one of the directors calling the meeting. Notice shall be duly given to each director by giving notice to such director by telephone, facsimile or e-mail at least twenty-four (24) hours in advance of the meeting or such shorter notice as the person calling such meeting may deem necessary or appropriate under the circumstances. A notice or waiver of notice of a meeting of the Board of Directors need not specify the purposes of the meeting.

SECTION 2.10 Meetings by Telephone Conference Calls. Directors or any members of any committee designated by the directors may participate in a meeting of the Board of Directors or such committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation by such means shall constitute presence in person at such meeting.

SECTION 2.11 Quorum. A majority of the total number of the whole Board of Directors shall constitute a quorum at all meetings of the Board of Directors. In the event one or more of the directors shall be disqualified to vote at any meeting, then the required quorum shall be reduced by one for each such director so disqualified; provided, however, that in no case shall less than one-third (1/3) of the number so fixed constitute a quorum. In the absence of a quorum at any such meeting, a majority of the directors present may adjourn the meeting from time to

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time without further notice other than announcement at the meeting, until a quorum shall be present.

SECTION 2.12 Action at Meeting. At any meeting of the Board of Directors at which a quorum is present, the vote of a majority of those present shall be sufficient to take any action, unless a different vote is specified by law, the Certificate of Incorporation or these Bylaws.

SECTION 2.13 Action by Consent. Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee of the Board of Directors may be taken without a meeting, if all members of the Board or committee, as the case may be, consent to the action in writing, and the written consents are filed with the minutes of proceedings of the Board of Directors or committee.

SECTION 2.14 Removal. Directors shall be removable either with or without cause. The removal of any director, whether with or without cause, shall require the affirmative vote of the holders of at least a majority of the shares of the capital stock of the corporation issued and outstanding and entitled to vote.

SECTION 2.15 Committees. The Board of Directors may, by resolution passed by a majority of the whole Board, designate one or more committees, each committee to consist of one or more of the directors of the corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members of the committee present at any meeting and not disqualified from voting, whether or not the member or members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board of Directors and subject to the provisions of the DGCL, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the corporation and may authorize the seal of the corporation to be affixed to all papers which may require it. Each such

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committee shall keep minutes and make such reports as the Board of Directors may from time to time request. Except as the Board of Directors may otherwise determine, any committee may make rules for the conduct of its business, but unless otherwise provided by the directors or in such rules, its business shall be conducted as nearly as possible in the same manner as is provided in these Bylaws for the Board of Directors.

SECTION 2.16 Compensation of Directors. Directors may be paid such compensation for their services and such reimbursement for expenses of attendance at meetings as the Board of Directors may from time to time determine. No such payment shall preclude any director from serving the corporation or any of its parent or subsidiary corporations in any other capacity and receiving compensation for such service.

ARTICLE III

OFFICERS

SECTION 3.1 Enumeration. The officers of the corporation shall consist of a President, a Secretary of the corporation, a Treasurer and such other officers with such other titles as the Board of Directors shall determine, including a Chair of the Board, a Vice Chair of the Board, a Chief Executive Officer and one or more Vice Presidents, Assistant Treasurers, and Assistant Secretaries. The Board of Directors may appoint such other officers as it may deem appropriate.

SECTION 3.2 Election. The President, Treasurer and Secretary of the corporation shall be elected annually by the Board of Directors. Other officers may be appointed by the Board of Directors at the meeting at which the President, Treasurer and Secretary of the corporation shall be elected or at any other meeting.

SECTION 3.3 Qualification. No officer need be a stockholder. Any two or more offices may be held by the same person.

SECTION 3.4 Tenure. Except as otherwise provided by law, by the Certificate of Incorporation or by these Bylaws, each officer shall hold office until such officer’s successor is elected and qualified, unless a different term is specified in the vote choosing or appointing such officer, or until such officer’s earlier death, resignation or removal.

SECTION 3.5 Resignation and Removal. Any officer may resign by delivering a written resignation to the corporation at its principal office or to the Chief Executive Officer (or, if there is no Chief Executive Officer, the President) or Secretary of the corporation. Such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some other event. Any officer may be removed at any time, with or without cause, by vote of a majority of the entire number of directors then in office. Except as the Board of Directors may otherwise determine, no officer who resigns or is removed shall have any right to any compensation as an officer for any period following such officer’s resignation or removal, or any right to damages on account of such removal, whether such officer’s compensation be by the month or by the year or otherwise, unless such compensation is expressly provided in a duly authorized written agreement with the corporation.

SECTION 3.6 Vacancies. The Board of Directors may fill any vacancy occurring in any office for any reason and may, in its discretion, leave unfilled for such period as it may determine any offices other than those of President, Treasurer and Secretary of the corporation. Each such successor shall hold office for the unexpired term of such officer’s predecessor and until such officer’s successor is elected and qualified, or until such officer’s earlier death, resignation or removal.

SECTION 3.7 Chair of the Board and Vice Chair of the Board. The Board of Directors may appoint a Chair of the Board. If the Board of Directors appoints a Chair of the Board, the Chair shall perform such duties and possess such powers as are assigned to the Chair by the Board of Directors. If the Board of Directors appoints a Vice Chair of the Board, the Vice

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Chair shall, in the absence or disability of the Chair of the Board, perform the duties and exercise the powers of the Chair of the Board and shall perform such other duties and possess such other powers as may from time to time be vested in the Vice Chair by the Board of Directors.

SECTION 3.8 Chief Executive Officer and President. The Chief Executive Officer or, if there is no Chief Executive Officer, the President, shall, subject to the direction of the Board of Directors, have general charge and supervision of the business of the corporation. Unless the Board of Directors has designated the Chair of the Board or another officer as Chief Executive Officer, the President shall be the Chief Executive Officer of the corporation. The Chief Executive Officer and President shall perform such other duties and have such other powers that the Board of Directors may from time to time prescribe.

SECTION 3.9 Vice Presidents. Any Vice President shall perform such duties and possess such powers as the Board of Directors or the President may from time to time prescribe. In the event of the absence, inability or refusal to act of the Chief Executive Officer (or, if there is no Chief Executive Officer, the President), the Vice President (or if there shall be more than one, the Vice Presidents in the order determined by the Board of Directors) shall perform the duties of the Chief Executive Officer (or, if there is no Chief Executive Officer, the President) and when so performing shall have all the powers of and be subject to all the restrictions upon the President. The Board of Directors may assign to any Vice President the title of Executive Vice President, Senior Vice President or any other title selected by the Board of Directors.

SECTION 3.10 Secretary and Assistant Secretaries. The Secretary of the corporation shall perform such duties and shall have such powers as the Board of Directors or the Chief Executive Officer (or, if there is no Chief Executive Officer, the President) may from time to time prescribe. In addition, the Secretary of the corporation shall perform such duties and have such powers as are incident to the office of the secretary, including without limitation the duty and power to give notices of all meetings of stockholders and special meetings of the Board of Directors, to attend all meetings of stockholders and the Board of Directors and keep a record of the proceedings, to maintain a stock ledger and prepare lists of stockholders and their addresses as required, to be custodian of corporate records and the corporate seal and to affix and attest to the same on documents. Any Assistant Secretary of the corporation shall perform such duties and possess such powers as the Board of Directors, the Chief Executive Officer (or, if there is no Chief Executive Officer, the President) or the Secretary of the corporation may from time to time prescribe. In the event of the absence, inability or refusal to act of the Secretary of the corporation, the Assistant Secretary of the corporation (or if there shall be more than one, the Assistant Secretaries of the corporation in the order determined by the Board of Directors) shall perform the duties and exercise the powers of the Secretary of the corporation. In the absence of the Secretary of the corporation or any Assistant Secretary of the corporation at any meeting of stockholders or directors, the person presiding at the meeting shall designate a temporary secretary of the corporation to keep a record of the meeting.

SECTION 3.11 Treasurer and Assistant Treasurers. The Treasurer shall perform such duties and shall have such powers as may from time to time be assigned to the Treasurer by the Board of Directors or the Chief Executive Officer (or, if there is no Chief Executive Officer, the President). In addition, the Treasurer shall perform such duties and have such powers as are incident to the office of treasurer, including without limitation the duty and power to keep and be

responsible for all funds and securities of the corporation, to deposit funds of the corporation in depositories selected in accordance with these Bylaws, to disburse such funds as ordered by the Board of Directors, to make proper accounts of such funds, and to render as required by the Board of Directors statements of all such transactions and of the financial condition of the corporation. The Assistant Treasurers shall perform such duties and possess such powers as the Board of Directors, the Chief Executive Officer (or, if there is no Chief Executive Officer, the President) or the Treasurer may from time to time prescribe. In the event of the absence, inability or refusal to act of the Treasurer, the Assistant Treasurer (or if there shall be more than one, the Assistant Treasurers in the order determined by the Board of Directors) shall perform the duties and exercise the powers of the Treasurer.

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SECTION 3.12 Salaries. Officers of the corporation shall be entitled to such salaries, compensation or reimbursement as shall be fixed or allowed from time to time by the Board of Directors.

ARTICLE IV

CAPITAL STOCK

SECTION 4.1 Issuance of Stock. Unless otherwise voted by the stockholders and subject to the provisions of the Certificate of Incorporation, the whole or any part of any unissued balance of the authorized capital stock of the corporation or the whole or any part of any unissued balance of the authorized capital stock of the corporation held in its treasury may be issued, sold, transferred or otherwise disposed of by vote of the Board of Directors in such manner, for such consideration and on such terms as the Board of Directors may determine.

SECTION 4.2 Certificates of Stock. Shares of the corporation's Common Stock may be certificated or uncertificated in accordance with the DGCL. Every holder of stock of the corporation shall be entitled to have a certificate, in such form as may be prescribed by law and by the Board of Directors, certifying the number and class of shares owned by such stockholder in the corporation. Each such certificate shall be signed by, or in the name of the corporation by, the Chair or Vice Chair, if any, of the Board of Directors, or the Chief Executive Officer (or, if there is no Chief Executive Officer, the President) or a Vice President, and the Treasurer or an Assistant Treasurer, or the Secretary of the corporation or an Assistant Secretary of the corporation. Any or all of the signatures on the certificate may be a facsimile. Each certificate for shares of stock which are subject to any restriction on transfer pursuant to the Certificate of Incorporation, the Bylaws, applicable securities laws or any agreement among any number of stockholders or among such holders and the corporation shall have conspicuously noted on the face or back of the certificate either the full text of the restriction or a statement of the existence of such restriction.

SECTION 4.3 Transfers. Except as otherwise established by rules and regulations adopted by the Board of Directors, and subject to applicable law, certificated shares of stock may be transferred on the books of the corporation by the surrender to the corporation or its transfer agent of the certificate representing such shares properly endorsed or accompanied by a written assignment or power of attorney properly executed, and with such proof of authority or the authenticity of signature as the corporation or its transfer agent may reasonably require. Except

as may be otherwise required by law, by the Certificate of Incorporation or by these Bylaws, the corporation shall be entitled to treat the record holder of stock as shown on its books as the owner of such stock for all purposes, including the payment of dividends and the right to vote with respect to such stock, regardless of any transfer, pledge or other disposition of such stock until the shares have been transferred on the books of the corporation in accordance with the requirements of these Bylaws.

SECTION 4.4 Lost, Stolen or Destroyed Certificates. The corporation may issue a new certificate of stock (or an uncertificated share of stock) in place of any previously issued certificate alleged to have been lost, stolen, or destroyed, upon such terms and conditions as the Board of Directors may prescribe, including the presentation of reasonable evidence of such loss, theft or destruction and the giving of such indemnity and/or bond as the Board of Directors may require for the protection of the corporation or any transfer agent or registrar.

SECTION 4.5 Record Date. The Board of Directors may fix in advance a date as a record date for the determination of the stockholders entitled to notice of or to vote at any meeting of stockholders, or entitled to receive payment of any dividend or other distribution or allotment of any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action. Such record date shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting, nor more than sixty (60) days prior to any other action to which such record date relates. If no record date is fixed, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day before the day on which notice is given, or, if notice is waived, at the close of business on the day before the day on which the meeting is held. The record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating to such purpose. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

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ARTICLE V

NOTICES

SECTION 5.1General; Electronic Transmission. Whenever, under the provisions of statute or of the certificate of incorporation of this corporation or these bylaws, notice is required to be given to any director or stockholder, it shall be construed to mean written notice by (a) personal delivery, by overnight courier, or by mail, addressed to such director or stockholder, at such stockholder's address as it appears on the records of this corporation, with postage thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be delivered (in the case of personal delivery and overnight courier) or when the same shall be deposited in the United States mail (in the case of mail), or (b) by electronic transmission as set forth below. Notice to directors may also be given by telegram, telephone or electronic transmission.

Without limiting the manner by which notice otherwise may be given to the stockholders, any notice given by this corporation to the stockholders shall be effective if given by a form of electronic transmission consented to by the stockholder to whom the notice is given. Any such consent shall be revocable by the stockholder by written notice to this corporation. Any such consent shall be deemed revoked if (a) this corporation is unable to deliver by electronic transmission two consecutive notices given by this corporation in accordance with such consent and (b) such inability becomes known to the Secretary of the corporation, an Assistant Secretary of the corporation, transfer agent or other person responsible for giving such notice; provided, however, that the inadvertent failure to treat such inability as a revocation shall not invalidate any meeting or other action. Notice given by electronic transmission shall be deemed given (i) if by facsimile, when directed to a number at which the stockholder has consented to receive notice, (ii) if by electronic mail, when directed to an electronic mail address at which the stockholder has consented to receive notice, (iii) if by posting on an electronic network together with separate notice to the stockholder of such specific posting, upon the later of (A) such posting and (B) the giving of such separate notice, and (iv) if by any other form of electronic transmission, when directed to the stockholder.

SECTION 5.2Waiver of Notice. Whenever any notice whatsoever is required to be given by law, by the Certificate of Incorporation or by these Bylaws, a waiver of such notice either in writing signed by the person entitled to such notice or such person's duly authorized attorney, or by telegraph, cable, electronic transmission or any other available method, whether before, at or after the time stated in such waiver, or the appearance of such person or persons at such meeting in person or by proxy, shall be deemed equivalent to such notice.

ARTICLE VI

GENERAL PROVISIONS

SECTION 6.1Fiscal Year. The fiscal year of the corporation shall be determined by resolution of the Board of Directors.

SECTION 6.2Voting of Securities. Except as the directors may otherwise designate, the Chief Executive Officer (or, if there is no Chief Executive Officer, the President) or Treasurer may (a) waive notice of, and act as, or appoint any person or persons to act as, proxy or attorney-in-fact for this corporation (with or without power of substitution) at, any meeting of stockholders or shareholders of any other corporation or organization, the securities of which may be held by this corporation and (b) exercise on behalf of the corporation all rights incident to ownership of any shares or equity interests of any corporation or organization owned by the corporation.

SECTION 6.3Evidence of Authority. A certificate by the Secretary of the corporation, or an Assistant Secretary of the corporation, or a temporary secretary of the corporation, as to any action taken by the stockholders, directors, a committee or any officer or representative of the corporation shall as to all persons who rely on the certificate in good faith be conclusive evidence of such action.

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SECTION 6.4 Certificate of Incorporation. All references in these Bylaws to the Certificate of Incorporation shall be deemed to refer to the Certificate of Incorporation of the corporation, as amended and in effect from time to time.

SECTION 6.5 Transactions with Interested Parties. No contract or transaction between the corporation and one or more of the directors or officers, or between the corporation and any other corporation, partnership, association, or other organization in which one or more of the directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board of Directors or a committee of the Board of Directors which authorizes the contract or transaction or solely because his, her or their votes are counted for such purpose, if:

(a) The material facts as to his or her relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board of Directors or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum;

(b) The material facts as to his or her relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or

(c) The contract or transaction is fair as to the corporation as of the time it is authorized, approved or ratified, by the Board of Directors, a committee of the Board of Directors, or the stockholders.

Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

SECTION 6.6 Severability. Any determination that any provision of these Bylaws is for any reason inapplicable, illegal or ineffective shall not affect or invalidate any other provision of these Bylaws.

SECTION 6.7 Pronouns. All pronouns used in these Bylaws shall be deemed to refer to the masculine, feminine or neuter, singular or plural, as the identity of the person or persons may require.

SECTION 6.8 Forum for Adjudication of Certain Disputes. Unless the corporation consents in writing to the selection of an alternative forum (an "**Alternative Forum Consent**"), the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for (a) any derivative action or proceeding brought on behalf of the corporation, (b) any action asserting a claim of breach of a fiduciary duty owed by any director, officer, stockholder, employee or agent of the corporation to the corporation or the corporation's stockholders, (c) any action asserting a claim against the corporation of any director, officer, stockholder, employee or agent of the corporation arising out of or relating to any provision of the DGCL or the corporation's Certificate of Incorporation or Bylaws, or (d) any action asserting a claim against the corporation or any director, officer, stockholder, employee or agent of the corporation governed by the

internal affairs doctrine of the State of Delaware; provided, however, that, in the event that the Court of Chancery of the State of Delaware lacks subject matter jurisdiction over any such action or proceeding, the sole and exclusive forum for such action or proceeding shall be another state or federal court located within the State of Delaware, in each such case, unless the Court of Chancery (or such other state or federal court located within the State of Delaware, as applicable) has dismissed a prior action by the same plaintiff asserting the same claims because such court lacked personal jurisdiction over an indispensable party named as a defendant therein. Failure to enforce the foregoing provisions would cause the corporation irreparable harm and the corporation shall be entitled to equitable relief, including injunctive relief and specific performance, to enforce the foregoing provisions. Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the corporation shall be deemed to have notice of and consented to the provisions of this Section 6.8. If any action the subject matter of which is within the scope of this Section 6.8 is filed in a

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court other than the Court of Chancery of the State of Delaware (or any other state or federal court located within the State of Delaware, as applicable) (a "**Foreign Action**") by or in the name of any stockholder, such stockholder shall be deemed to have consented to (i) the personal jurisdiction of the Court of Chancery of the State of Delaware (or such other state or federal court located within the State of Delaware, as applicable) in connection with any action brought in any such court to enforce this Section 6.8 and (ii) having service of process made upon such stockholder in any such action by service upon such stockholder's counsel in the Foreign Action as agent for such stockholder. The existence of any prior Alternative Forum Consent shall not act as a waiver of the corporation's ongoing consent right as set forth above in this Section 6.8 with respect to any current or future actions or claims.

ARTICLE VII

AMENDMENT

SECTION 7.1 By the Board of Directors. These Bylaws may be altered, amended or repealed or new bylaws may be adopted by the affirmative vote of a majority of the directors present at any regular or special meeting of the Board of Directors at which a quorum is present.

SECTION 7.2 By the Stockholders. These Bylaws may be altered, amended or repealed or new bylaws may be adopted by the affirmative vote of the holders of a majority of the shares of the capital stock of the corporation issued and outstanding and entitled to vote at any regular or special meeting of stockholders, provided notice of such alteration, amendment, repeal or adoption of new bylaws shall have been stated in the notice of such regular or special meeting.

Adopted: June 1, 2023

Exhibit 10.3

ADDENDUM TO CONSULTING AGREEMENT

Thisis an **ADDENDUM to the CONSULTING AGREEMENT**,which agreement waseffective as of October 31, 2022 (the "Consulting Agreement"), and which is by and between United Natural Foods, Inc. (the "Company"), and Eric Dorne (the "Consultant").

WHEREAS, the Company and the Consultant wish to identify additional Consulting Services encompassed by the Consulting Agreement; and

WHEREAS, the Consultant is willing and able to furnish such services to the Company.

NOW, THEREFORE, in consideration of the mutual promises and covenants stated in the Consulting Agreement, the sufficiency of which the parties acknowledge, the Company and the Consultant hereby agree to supplement (but not replace) the terms already appearing in the Consulting Agreement, with the following terms:

1. **Additional Consulting Services.** In addition to the Consulting Services identified in Section 1 of the Consulting Agreement, the Consultant agrees to consult with the Company regarding the business of UNFI Retail, which includes company owned and operated Cub and Shoppers retail stores, as well as franchised Cub retail stores ("UNFI Retail"). Specifically, the Consultant agrees to consult with the Company regarding issues central to UNFI Retail. The Consulting Services as described herein include but are not limited to consulting with the Company regarding the current level and quality of operations, evaluating strategic alternatives to maximize value, team structure and continuity all with respect to UNFI Retail. The Consultant agrees to provide the additional Consulting Services identified herein for up to an additional 12 hours per week on a schedule to be determined by the Consultant, for a period of no more than 180 days, beginning on or after April 12, 2023 (the "Addendum Period"). For avoidance of doubt, Consultant agrees to provide all Consulting Services identified herein and in Section 1 of the Consulting Agreementfor a total of up to 16 hours per week during the Addendum Period. Following the end of the Addendum Period, Consultant shall return to providing the original Consulting Services as identified in the Consulting Agreement and for the hours provided therein for the then-remaining of the term of the Consulting Agreement, if any.

2. **Signatures Binding.** Pursuant to Section 4 of the Consulting Agreement, upon the signatures of the Company and the Consultant to this Addendum to Consulting Agreement, the Consulting Agreement shall be amended only as expressly provided herein.

[next page is signature page]

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IN WITNESS WHEREOF, each party has executed this Addendum to the Consulting Agreement as of the date set forth below.

United Natural Foods, Inc.

By: /s/ J. Alexander Miller Douglas

Name: J. Alexander Miller Douglas

Title: Chief Executive Officer

Date: 4/11/23

Consultant Eric Dorne

Signature: /s/ Eric Dorne

Print Name: Eric Dorne

Date: 4/11/23

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Exhibit 31.1

CERTIFICATION PURSUANT TO SECTION
302 OF THE SARBANES-OXLEY ACT OF 2002

I, J. Alexander Miller Douglas, certify that:

1. I have reviewed this quarterly report on Form 10-Q of United Natural Foods, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

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(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

June 7, December 6, 2023

/s/ J. ALEXANDER MILLER DOUGLAS

J. Alexander Miller Douglas
Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO SECTION
302 OF THE SARBANES-OXLEY ACT OF 2002

I, John W. Howard, certify that:

1. I have reviewed this quarterly report on Form 10-Q of United Natural Foods, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

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(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

June 7, December 6, 2023

/s/ John W. Howard

John W. Howard

Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO SECTION
906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned, in his capacity as the Chief Executive Officer of United Natural Foods, Inc., a Delaware corporation (the "Company"), hereby certifies that the Quarterly Report of the Company on Form 10-Q for the quarterly period ended April 29, 2023 October 28, 2023, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in such Quarterly Report on Form 10-Q fairly presents in all material respects, the financial condition and results of operations of the Company.

/s/ J. ALEXANDER MILLER DOUGLAS

J. Alexander Miller Douglas
Chief Executive Officer

June 7, December 6, 2023

Exhibit 32.2

CERTIFICATION PURSUANT TO SECTION
906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned, in his capacity as the Chief Financial Officer of United Natural Foods, Inc., a Delaware corporation (the "Company"), hereby certifies that the Quarterly Report of the Company on Form 10-Q for the quarterly period ended April 29, 2023 October 28, 2023, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in such Quarterly Report on Form 10-Q fairly presents in all material respects, the financial condition and results of operations of the Company.

/s/ John W. Howard

John W. Howard

Chief Financial Officer

June 7, December 6, 2023

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