

REFINITIV

## DELTA REPORT

### 10-Q

UNFI - UNITED NATURAL FOODS INC

10-Q - JANUARY 27, 2024 COMPARED TO 10-Q - OCTOBER 28, 2023

The following comparison report has been automatically generated

**TOTAL DELTAS** 1036

■ CHANGES	189
■ DELETIONS	199
■ ADDITIONS	648

---

---

**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 **October 28, 2023** **January 27, 2024**

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



**UNITED NATURAL FOODS, INC.**

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

05-0376157

(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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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 **December 1, 2023** **March 1, 2024** there were **59,407,969** **59,436,775** shares of the registrant's common stock, \$0.01 par value per share, outstanding.

---

**TABLE OF CONTENTS**

<b>Part I.</b>	<b><u>Financial Information</u></b>	
<b>Item 1.</b>	<b><u>Financial Statements</u></b>	
	<u>Condensed Consolidated Balance Sheets (unaudited)</u>	<b>3</b>
	<u>Condensed Consolidated Statements of Operations (unaudited)</u>	<b>4</b>
	<u>Condensed Consolidated Statements of Comprehensive (Loss) Income (unaudited)</u>	<b>5</b>
	<u>Condensed Consolidated Statements of Stockholders' Equity (unaudited)</u>	<b>6</b>
	<u>Condensed Consolidated Statements of Cash Flows (unaudited)</u>	<b>78</b>
	<u>Notes to Condensed Consolidated Financial Statements (unaudited)</u>	<b>89</b>
<b>Item 2.</b>	<b><u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u></b>	<b>2427</b>
<b>Item 3.</b>	<b><u>Quantitative and Qualitative Disclosures About Market Risk</u></b>	<b>3540</b>
<b>Item 4.</b>	<b><u>Controls and Procedures</u></b>	<b>3540</b>
<b>Part II.</b>	<b><u>Other Information</u></b>	
<b>Item 1.</b>	<b><u>Legal Proceedings</u></b>	<b>3540</b>
<b>Item 1A.</b>	<b><u>Risk Factors</u></b>	<b>3540</b>
<b>Item 2.</b>	<b><u>Unregistered Sales of Equity Securities, Use of Proceeds, and Issuer Purchases of Equity Securities</u></b>	<b>3640</b>
<b>Item 5.</b>	<b><u>Other Information</u></b>	<b>41</b>
<b>Item 6.</b>	<b><u>Exhibits</u></b>	<b>3742</b>
	<b><u>Signatures</u></b>	<b>3843</b>

## 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)*

		July			
		October 28,	29,		
		2023	2023		
		January			
		27,	2024	January 27, 2024	July 29, 2023
<b>ASSETS</b>	<b>ASSETS</b>			<b>ASSETS</b>	
Cash and cash equivalents	Cash and cash equivalents	\$ 37	37		
Accounts receivable, net	Accounts receivable, net	1,013	889		
Inventories, net	Inventories, net	2,648	2,292		
Prepaid expenses and other current assets	Prepaid expenses and other current assets	259	245		
Total current assets	Total current assets	3,957	3,463		
Property and equipment, net	Property and equipment, net	1,744	1,767		
Operating lease assets	Operating lease assets	1,218	1,228		
Goodwill	Goodwill	19	20		

Intangible assets, net	703	722	
Deferred income taxes	32	32	
Other long-term assets	175	162	
Total assets	\$ 7,848	\$ 7,394	
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
Accounts payable	1,934	\$ 1,781	
Accrued expenses and other current liabilities	277	283	
Accrued compensation and benefits	169	143	
Current portion of operating lease liabilities	181	180	
Current portion of long-term debt and finance lease liabilities	16	18	
Total current liabilities	2,577	2,405	
Long-term debt	2,296	1,956	
Long-term operating lease liabilities	1,090	1,099	
Long-term finance lease liabilities	10	12	
Pension and other postretirement benefit obligations	16	16	
Other long-term liabilities	160	162	
Other long-term liabilities			
Total liabilities	6,149	5,650	
Commitments and contingencies			Commitments and contingencies
<b>Stockholders' equity:</b>			
Preferred stock, \$0.01 par value, authorized 5.0 shares; none issued or outstanding	—	—	
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	
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; 61.9 shares issued and 59.4 shares outstanding at January 27, 2024; 61.0 shares issued and 58.5 shares outstanding at July 29, 2023				
Additional paid-in capital	Additional paid-in capital	606	606	
Treasury stock at cost	Treasury stock at cost	(86)	(86)	
Accumulated other comprehensive loss	Accumulated other comprehensive loss	(33)	(28)	
Retained earnings	Retained earnings	1,211	1,250	
Total United Natural Foods, Inc. stockholders' equity	Total United Natural Foods, Inc. stockholders' equity	1,699	1,743	
Noncontrolling interests	Noncontrolling interests	—	1	
Total stockholders' equity	Total stockholders' equity	1,699	1,744	
Total liabilities and stockholders' equity	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)*

		13-Week Period		13-Week Period		26-Week Period Ended	
		Ended		Period	Period	Ended	
		October	October	Ended	January	January	January
		28, 2023	29, 2022	27, 2024	28, 2023	27, 2024	28, 2023
Net sales	Net sales	\$ 7,552	\$ 7,532				
Cost of sales	Cost of sales	6,522	6,436				
Gross profit	Gross profit	1,030	1,096				
Operating expenses	Operating expenses	1,023	1,000				
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	(16)	99
Operating income		
Net periodic benefit income, excluding service cost	Net periodic benefit income, excluding service cost	(3) (7)
Interest expense, net	Interest expense, net	35 35
Other income, net	Other income, net	— (1)
(Loss) income before income taxes	(Loss) income before income taxes	(48) 72
(Benefit) provision for income taxes	(Benefit) provision for income taxes	(9) 5
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)
Net (loss) income attributable to United Natural Foods, Inc.	Net (loss) income attributable to United Natural Foods, Inc.	\$ (39) \$ 66
Basic (loss) earnings per share	Basic (loss) earnings per share	\$ (0.67) \$ 1.12
Basic (loss) earnings per share		
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	58.7 58.8
Diluted	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			
		October 28, 2023	October 29, 2022		
		13-Week Period Ended			
		13-Week Period Ended			
		13-Week Period Ended		26-Week Period Ended	
		January 27, 2024		January 27, 2024	January 28, 2023
				January 27, 2024	January 28, 2023
Net (loss) income including noncontrolling interests	Net (loss) income including noncontrolling interests	\$ (39)	\$ 67		
Other comprehensive (loss) income:	Other comprehensive (loss) income:				
Recognition of pension and other postretirement benefit obligations, net of tax					
Recognition of pension and other postretirement benefit obligations, net of tax					
Recognition of pension and other postretirement benefit obligations, net of tax					
Recognition of interest rate swap cash flow hedges, net of tax <sup>(1)</sup>	Recognition of interest rate swap cash flow hedges, net of tax <sup>(1)</sup>	(3)	18		
Foreign currency translation adjustments	Foreign currency translation adjustments	(3)	(3)		
Recognition of other cash flow derivatives, net of tax		1	—		
Recognition of other cash flow derivatives, net of tax <sup>(2)</sup>					
Total other comprehensive (loss) income	Total other comprehensive (loss) income	(5)	15		
Less comprehensive income attributable to noncontrolling interests	Less comprehensive income attributable to noncontrolling interests	—	(1)		

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

(1) Amounts are net of tax (benefit) expense of \$(1) million and \$6 \$(1) million for the first second quarters of fiscal 2024 and 2023, respectively, and \$(2) million and \$5 million for fiscal 2024 and 2023 year-to-date, respectively.

(2) Amounts are net of tax (benefit) expense of \$0 million and \$(1) million for the second quarters of fiscal 2024 and 2023, respectively, and \$0 million and \$(1) million for fiscal 2024 and 2023 year-to-date, 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 October 28, 2023 January 27, 2024 and October 29, 2022 January 28, 2023**  
(in millions)

		(in millions)										Treasury Stock		Accumulated Other																			
		Common Stock		Treasury Stock		Additional		Accumulated Other		Natural		Total		Common Stock		Treasury Stock																	
		Shares				Paid-in Capital		Comprehensive (Loss) Income		Retained Earnings		Stockholders' Equity		Noncontrolling Interests		Stockholders' Equity																	
Balances at October 28, 2023																																	
Balances at October 28, 2023																																	
Balances at October 28, 2023																																	
		Shares		Amount		Shares		Amount				Accumulated		Total																			
												Additional		Natural																			
												Stockholders' Equity		Foods, Inc.		Total																	
												Stockholders' Equity		Stockholders' Equity																			
Balances at July 29, 2023		61.0	\$	1	2.5	\$	(86)	\$	606	\$	(33)	\$	1,211	\$	1,699	\$	—	\$ 1,699															
Restricted stock vestings		0.9	—	—	—	—	(6)	—	—	—	(6)	—	—	(6)	—	—	(6)																
Share-based compensation																																	
Share-based compensation																																	
Share-based compensation		Share-based compensation		—		—		—		6		—		6		—																	
Other comprehensive loss		Other comprehensive loss		—		—		—		(5)		—		(5)		—																	
Distributions to noncontrolling interests		Distributions to noncontrolling interests		—		—		—		—		—		(1)		(1)																	
Net loss		—		—		—		—		(39)		(39)		—		(39)																	
Balances at October 28, 2023		61.9	\$	1	2.5	\$	(86)	\$	606	\$	(33)	\$	1,211	\$	1,699	\$	—	\$ 1,699															
Net (loss) income																																	
Balances at January 27, 2024																																	
Balances at July 30, 2022		58.9	\$	1	0.6	\$	(24)	\$	608	\$	(20)	\$	1,226	\$	1,791	\$	1	\$ 1,792															
Balances at October 29, 2022																																	
Balances at October 29, 2022																																	
Balances at October 29, 2022																																	
Restricted stock vestings		Restricted stock vestings		2.0		—		—		(37)		—		(37)		—																	

Share-based compensation	Share-based compensation	—	—	—	—	12	—	—	12	—	12
Repurchases of common stock	Repurchases of common stock	—	—	0.4	(12)	—	—	—	(12)	—	(12)
Other comprehensive income	—	—	—	—	—	15	—	15	—	15	—
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	(2)	(2)	—
Other comprehensive loss	—	—	—	—	—	—	—	—	—	—	—
Net income	Net income	—	—	—	—	—	66	66	1	67	—
<b>Balances at October 29, 2022</b>		<b>60.9</b>	<b>\$ 1</b>	<b>1.0</b>	<b>\$ (36)</b>	<b>\$ 583</b>	<b>\$ (5)</b>	<b>\$ 1,292</b>	<b>\$ 1,835</b>	<b>\$ —</b>	<b>\$ 1,835</b>

See accompanying Notes to Condensed Consolidated Financial Statements.

**UNITED NATURAL FOODS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (unaudited)**  
For the 26-week periods ended January 27, 2024 and January 28, 2023  
(in millions)

	Accumulated								Total United			
	Common Stock		Treasury Stock		Other		Stockholders' Equity		Natural Foods, Inc.		Total	
	Shares	Amount	Shares	Amount	Additional Paid-in Capital	Loss	Retained Earnings	Stockholders' Equity	Noncontrolling Interests	Total Stockholders' Equity	Stockholders' Equity	
<b>Balances at July 29, 2023</b>	<b>61.0</b>	<b>\$ 1</b>	<b>2.5</b>	<b>\$ (86)</b>	<b>\$ 606</b>	<b>\$ (28)</b>	<b>\$ 1,250</b>	<b>\$ 1,743</b>	<b>\$ 1</b>	<b>\$ 1,744</b>	<b>\$ 1,744</b>	
Restricted stock vestings	0.9	—	—	—	(6)	—	—	(6)	—	—	(6)	
Share-based compensation	—	—	—	—	16	—	—	16	—	—	16	
Other comprehensive loss	—	—	—	—	—	(7)	—	(7)	—	—	(7)	
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	(2)	(2)	—	
Net (loss) income	—	—	—	—	—	—	(54)	(54)	1	1	(53)	
<b>Balances at January 27, 2024</b>	<b>61.9</b>	<b>\$ 1</b>	<b>2.5</b>	<b>\$ (86)</b>	<b>\$ 616</b>	<b>\$ (35)</b>	<b>\$ 1,196</b>	<b>\$ 1,692</b>	<b>\$ —</b>	<b>\$ 1,692</b>	<b>\$ 1,692</b>	
<b>Balances at July 30, 2022</b>	<b>58.9</b>	<b>\$ 1</b>	<b>0.6</b>	<b>\$ (24)</b>	<b>\$ 608</b>	<b>\$ (20)</b>	<b>\$ 1,226</b>	<b>\$ 1,791</b>	<b>\$ 1</b>	<b>\$ 1,792</b>	<b>\$ 1,792</b>	
Restricted stock vestings	2.0	—	—	—	(39)	—	—	(39)	—	—	(39)	
Share-based compensation	—	—	—	—	23	—	—	23	—	—	23	
Repurchases of common stock	—	—	0.7	(29)	—	—	—	(29)	—	—	(29)	
Other comprehensive income	—	—	—	—	—	11	—	11	—	—	11	
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	(2)	(2)	—	
Net income	—	—	—	—	—	—	85	85	4	4	89	
<b>Balances at January 28, 2023</b>	<b>60.9</b>	<b>\$ 1</b>	<b>1.3</b>	<b>\$ (53)</b>	<b>\$ 592</b>	<b>\$ (9)</b>	<b>\$ 1,311</b>	<b>\$ 1,842</b>	<b>\$ 3</b>	<b>\$ 1,845</b>	<b>\$ 1,845</b>	

See accompanying Notes to Condensed Consolidated Financial Statements.

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

(in millions)	13-Week Period Ended		(in millions)	26-Week Period Ended	
	October 28, 2023	October 29, 2022		January 27, 2024	January 28, 2023
	CASH FLOWS FROM OPERATING ACTIVITIES:	CASH FLOWS FROM OPERATING ACTIVITIES:	CASH FLOWS FROM 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) provided by operating activities:				Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities:	
Depreciation and amortization	Depreciation and amortization	78	74		
Share-based compensation	Share-based compensation	6	12		
Gain on sale of long-lived assets		(7)	(5)		
Gain on sale of assets					
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	(3)	(7)		
Deferred income tax expense	Deferred income tax expense	—	2		
LIFO charge	LIFO charge	7	21		
Provision (recoveries) for losses on receivables					
Non-cash interest expense and other adjustments	Non-cash interest expense and other adjustments	2	3		
Changes in operating assets and liabilities	Changes in operating assets and liabilities	(319)	(429)		

Net cash used in operating activities	(254)	(262)
Net cash (used in) provided by operating activities		
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Payments for capital expenditures	Payments for capital expenditures	(74) (67)
Proceeds from dispositions of assets	Proceeds from dispositions of assets	9 7
Payments for investments	Payments for investments	(7) (1)
Net cash used in investing activities	Net cash used in investing activities	(72) (61)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from borrowings under revolving credit line	Proceeds from borrowings under revolving credit line	597 1,206
Proceeds from issuance of other loans		
Repayments of borrowings under revolving credit line	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	(6) (6)
Repurchases of common stock	Repurchases of common stock	— (12)
Payments of employee restricted stock tax withholdings	Payments of employee restricted stock tax withholdings	(6) (37)
Distributions to noncontrolling interests	Distributions to noncontrolling interests	(1) (2)
Distributions to noncontrolling interests		
Distributions to noncontrolling interests		

Repayments of other loans	Repayments of other loans	—	(1)
Other	Other	(1)	—
Net cash provided by financing activities		326	319
Net cash provided by (used in) financing activities			
<b>EFFECT OF EXCHANGE RATE ON CASH</b>	<b>EFFECT OF EXCHANGE RATE ON CASH</b>		
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	37	44
Cash and cash equivalents, at end of period	Cash and cash equivalents, at end of period	\$ 37	\$ 39
<i>Supplemental disclosures of cash flow information:</i>	<i>Supplemental disclosures of cash flow information:</i>		
Cash paid for interest	Cash paid for interest	\$ 44	\$ 40
Cash (refunds) for federal, state, and foreign income taxes, net		\$ (12)	\$ (1)
Cash paid for interest			
Cash paid for interest			
Cash (refunds) for federal, state, and foreign income taxes, net			
Leased assets obtained in exchange for new operating lease liabilities	Leased assets obtained in exchange for new operating lease liabilities	\$ 39	\$ 57
Additions of property and equipment included in Accounts payable	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 **first** **second** quarter of fiscal 2024 and 2023 relate to the 13-week fiscal quarters ended **October 28, 2023** **January 27, 2024** and **October 29, 2022** **January 28, 2023**, respectively. References to fiscal 2024 and 2023 year-to-date relate to the 26-week fiscal periods ended **January 27, 2024** and **January 28, 2023**, 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 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 **October 28, 2023** **January 27, 2024** and **July 29, 2023**, the Company had net book overdrafts of **\$328** **\$283** million and \$308 million, respectively.

*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 physical counts in the Company's distribution facilities and stores. Allowances for inventory shortages are recorded based on the results of these counts. The LIFO reserve was approximately **\$351** **\$357** million and \$344 million as of **October 28, 2023** **January 27, 2024** and **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 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*. 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 update in the first quarter of fiscal 2025. The Company is in the process of reviewing the provisions of the 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.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. ASU 2023-09 requires disclosure of specific categories in the rate reconciliation and additional information for reconciling items that meet a quantitative threshold. The amendments also require disclosure on an annual basis of income taxes paid disaggregated by federal, state and foreign taxes as well as the amount of income taxes paid by individual jurisdiction. In addition, the amendments require disclosures of disaggregated pretax income and income tax expense and remove the requirement to disclose certain items that are no longer considered cost beneficial or relevant. The Company is required to adopt the amendments in this update in fiscal 2026. Early adoption is permitted. The amendments in this update should be applied on a prospective basis, but can also be applied retrospectively. 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® Foods and 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.

(in millions)	(in millions)	Net Sales for the 13-Week Period Ended					Net Sales for the 13-Week Period Ended							
		October 28, 2023					January 27, 2024							
Customer	Customer	Channel	Wholesale	Retail	Other	Eliminations <sup>(1)</sup>	Consolidated	Customer Channel	Wholesale	Retail	Other	Eliminations <sup>(1)</sup>	Consolidated	
Chains	Chains	\$ 3,184	\$ —	\$ —	\$ —	—	\$ 3,184							
Independent retailers	Independent retailers	1,899	—	—	—	—	1,899							
Supernatural	Supernatural	1,612	—	—	—	—	1,612							
Retail	Retail	—	606	—	—	—	606							
Other	Other	586	—	60	—	—	646							
Eliminations	Eliminations	—	—	—	(395)	(395)	(395)							
Total	Total	\$ 7,281	\$ 606	\$ 60	\$ (395)	\$ (395)	\$ 7,552							
Net Sales for the 13-Week Period Ended														
Net Sales for the 13-Week Period Ended														

		Net Sales for the 13-Week Period Ended										
		Net Sales for the 13-Week Period Ended										
(in millions)	(in millions)	October 29, 2022				(in millions)	January 28, 2023					
Customer	Customer	Wholesale	Retail	Other	Eliminations <sup>(1)</sup>	Consolidated	Customer	Wholesale	Retail	Other	Eliminations <sup>(1)</sup>	Consolidated
Channel	Channel						Channel					
Chains	Chains	\$ 3,224	\$ —	\$ —	\$ —	\$ 3,224						
Independent	Independent											
retailers	retailers	1,947	—	—	—	1,947						
Supernatural	Supernatural	1,513	—	—	—	1,513						
Retail	Retail	—	613	—	—	613						
Other	Other	575	—	60	—	635						
Eliminations	Eliminations	—	—	—	(400)	(400)						
Total	Total	\$ 7,259	\$ 613	\$ 60	\$ (400)	\$ 7,532						
Net Sales for the 26-Week Period Ended												
(in millions)		(in millions)					January 27, 2024					
Customer	Customer	Customer Channel				Wholesale	Retail	Other	Eliminations <sup>(1)</sup>	Consolidated		
Channel	Channel											
Chains												
Independent												
retailers												
Supernatural												
Retail												
Other												
Eliminations												
Total												
Net Sales for the 26-Week Period Ended												
Net Sales for the 26-Week Period Ended												
Net Sales for the 26-Week Period Ended												
(in millions)		(in millions)					January 28, 2023					
Customer	Customer	Customer Channel				Wholesale	Retail	Other	Eliminations <sup>(1)</sup>	Consolidated		
Channel	Channel											
Chains												
Independent												
retailers												
Supernatural												
Retail												
Other												
Eliminations												
Total												

(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:

	October 28,	July 29,					
(in millions)	(in millions)	(in millions)					
	2023	2023	(in millions)				

January 27, 2024

July 29, 2023

Customer accounts receivable	Customer accounts receivable	\$1,004	\$887
Allowance for uncollectible receivables	Allowance for uncollectible receivables	(17)	(17)
Other receivables, net	Other receivables, net	26	19
Accounts receivable, net	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		
Long-term notes receivable, net, included within Other long-term assets	Long-term notes receivable, net, included within Other long-term assets	\$ 7	\$ 7

During the prior year, in fiscal 2023, the Company entered into an agreement to sell, on a revolving basis, certain customer accounts receivable to a third-party financial institution. Accounts receivable that the Company is servicing on behalf of the financial institution, which would have otherwise been outstanding as of October 28, 2023 January 27, 2024 and July 29, 2023 July 29, 2023, was approximately \$326 \$333 million and \$310 million, respectively. Net proceeds received are included within cash from operating activities in the Condensed Consolidated Statements of Cash Flows in the period of sale. The loss on sale of receivables was \$5 million during for the first quarter second quarters of fiscal 2024 and 2023, and \$10 million and \$5 million for fiscal 2024 and 2023 year-to-date, respectively, 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, 2024 year-to-date. 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 second quarter of fiscal 2023, 2024 and for fiscal 2023 year-to-date.

#### NOTE 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	Goodwill	(1)	(2)
as of July	as of July		
29, 2023	29, 2023	\$ 10	\$ 10 \$20
Change	Change		
in foreign	in foreign		
exchange	exchange		
rates	rates	(1)	(1)
Goodwill as of October		(1)	(2)
28, 2023		\$ 9	\$ 10 \$19
Goodwill			
as of			
January			
27, 2024			

(1) Wholesale amounts are net of accumulated goodwill impairment charges of \$717 million as of July 29, 2023 and [October 28, 2023](#) [January 27, 2024](#).

(2) Other amounts are net of accumulated goodwill impairment charges of \$10 million as of July 29, 2023 and [October 28, 2023](#) [January 27, 2024](#).

Identifiable intangible assets, net consisted of the following:

(in millions)	October 28, 2023			July 29, 2023		
	Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount	Accumulated Amortization	Net
<b>Amortizing intangible assets:</b>						
Customer relationships	\$ 1,007	\$ 368	\$ 639	\$ 1,007	\$ 354	\$ 653
Pharmacy prescription files	33	24	9	33	22	11
Operating lease intangibles	6	5	1	6	5	1
Trademarks and tradenames	88	59	29	89	57	32
Total amortizing intangible assets	<u>1,134</u>	<u>456</u>	<u>678</u>	<u>1,135</u>	<u>438</u>	<u>697</u>
<b>Indefinite lived intangible assets:</b>						
Trademarks and tradenames	25	—	25	25	—	25
Intangibles assets, net	<u>\$ 1,159</u>	<u>\$ 456</u>	<u>\$ 703</u>	<u>\$ 1,160</u>	<u>\$ 438</u>	<u>\$ 722</u>

(in millions)	January 27, 2024			July 29, 2023		
	Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount	Accumulated Amortization	Net
<b>Amortizing intangible assets:</b>						
Customer relationships	\$ 1,007	\$ 383	\$ 624	\$ 1,007	\$ 354	\$ 653
Pharmacy prescription files	33	25	8	33	22	11
Operating lease intangibles	6	5	1	6	5	1
Trademarks and tradenames	88	61	27	89	57	32
Total amortizing intangible assets	<u>1,134</u>	<u>474</u>	<u>660</u>	<u>1,135</u>	<u>438</u>	<u>697</u>
<b>Indefinite lived intangible assets:</b>						
Trademarks and tradenames	25	—	25	25	—	25
Intangibles assets, net	<u>\$ 1,159</u>	<u>\$ 474</u>	<u>\$ 685</u>	<u>\$ 1,160</u>	<u>\$ 438</u>	<u>\$ 722</u>

Amortization expense was \$18 million for the [first](#) [second](#) quarters of fiscal 2024 and [2023](#), [2023](#), respectively, and \$36 million for fiscal 2024 and 2023 year-to-date, respectively. The estimated future amortization expense for each of the next five fiscal years and thereafter on amortizing intangible assets existing as of [October 28, 2023](#) [January 27, 2024](#) is as shown below:

Fiscal	Fiscal	(in	Fiscal Year:	Year:	Year:	millions)	Fiscal Year:	(in millions)
Year:	Year:							
Remaining	Remaining							
fiscal 2024	fiscal 2024	\$ 55						
2025	2025	71						

2026	2026	67
2027	2027	64
2028	2028	61
Thereafter	Thereafter	360
		\$ 678

#### NOTE 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:

(in millions)	Condensed Consolidated Balance Sheets Location	Fair Value at <span style="background-color: yellow;">October 28, 2023</span> <span style="background-color: green;">January 27, 2024</span>		
		Level 1	Level 2	Level 3
<b>Assets:</b>				
1	\$—			
1	\$—			
Interest rate swaps designated as hedging instruments	Prepaid expenses and other current assets	\$	—	\$ <span style="background-color: yellow;">15</span> <span style="background-color: green;">13</span> \$ —
Interest rate swaps designated as hedging instruments	Other long-term assets	\$	—	\$ <span style="background-color: yellow;">41</span> <span style="background-color: green;">\$ —</span>
<b>Liabilities:</b>				
Fuel derivatives designated as hedging instruments	Accrued expenses and other current liabilities	\$	—	\$ <span style="background-color: yellow;">1</span> <span style="background-color: green;">\$ —</span>
Interest rate swaps designated as hedging instruments	Other long-term liabilities	\$	—	\$ <span style="background-color: yellow;">1</span> <span style="background-color: green;">\$ —</span>

(in millions)	Condensed Consolidated Balance Sheets Location	Fair Value at <span style="background-color: yellow;">July 29, 2023</span>		
		Level 1	Level 2	Level 3
<b>Assets:</b>				
Interest rate swaps designated as hedging instruments	Prepaid expenses and other current assets	\$	—	\$ <span style="background-color: yellow;">17</span> <span style="background-color: green;">\$ —</span>
Interest rate swaps designated as hedging instruments	Other long-term assets	\$	—	\$ <span style="background-color: yellow;">5</span> <span style="background-color: green;">\$ —</span>
<b>Liabilities:</b>				
Fuel derivatives designated as hedging instruments	Accrued expenses and other current liabilities	\$	—	\$ <span style="background-color: yellow;">1</span> <span style="background-color: green;">\$ —</span>

##### 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 October 28, 2023 January 27, 2024, a 100-basis point increase in forward SOFR interest rates would increase the fair value of the interest rate swaps by approximately \$6 million \$11 million; a 100-basis point decrease in forward SOFR interest rates would decrease the fair value of the interest rate swaps by approximately \$6 million \$12 million. Refer to Note 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.

October 28, 2023	July 29, 2023	January 27, 2024	July 29, 2023
(in millions)	(in millions)	(in millions)	(in millions)
Carrying Value	Fair Value	Carrying Value	Fair Value

Notes receivable, including current portion	Notes receivable, including current portion	\$ 15	\$ 9	\$ 15	\$ 8
Long-term debt, including current portion	Long-term debt, including current portion	\$ 2,301	\$ 2,214	\$ 1,963	\$ 1,903

## NOTE 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 **October 28, 2023** **January 27, 2024**. Interest rate swap contracts are reflected at their fair values in the Condensed Consolidated Balance Sheets. Refer to Note 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 **October 28, 2023** **January 27, 2024**, which are all pay fixed and receive floating, are as follows:

Effective Date	Effective Date	Swap Maturity	Notional Value (in millions)			Receive Floating Rate	Reset Terms	Effective Date	Swap Maturity	Notional Value (in millions)			Pay Fixed Rate	Receive Floating Rate	Reset Terms
			Notional Value (in millions)	Pay Fixed Rate	Receive Floating Rate					Notional Value (in millions)	Pay Fixed Rate	Receive Floating Rate			
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	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	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	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	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	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	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	2.8750 %	One-Month Term SOFR	Monthly
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	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	2.4750 %	One-Month Term SOFR	Monthly
			<u>\$ 750</u>										
December 29, 2023					December 29, 2023	June 3, 2027		100	3.7525	%	One-Month Term SOFR	Monthly	
December 29, 2023					December 29, 2023	June 3, 2027		100	3.7770	%	One-Month Term SOFR	Monthly	
			<u>\$</u>	<u>=</u>									

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						13-Week Period Ended		26-Week Period Ended	
		October						January 27, 2024		January 28, 2023	
		October 28, 2023		29, 2022							
		13-Week Period Ended						13-Week Period Ended		26-Week Period Ended	
		January						January 27, 2024		January 28, 2023	
		27, 2024								January 27, 2024	
		January 28, 2023								January 28, 2023	
(in millions)	(in millions)					(in millions)					
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	\$ 35								
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	\$ —
Gain reclassified from comprehensive income into earnings			
Gain reclassified from comprehensive income into earnings			

#### NOTE 8—LONG-TERM DEBT

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

		Average Interest Rate at October 28, 2023	Fiscal Year Maturity	October 28, 2023	(in millions)	Average Interest Rate at January 27, 2024	Fiscal Maturity Year	January 27, 2024	July 29, 2023
(in millions)	(in millions)	October 28, 2023	Maturity Year	2023					
Term Loan	Term Loan								
Facility	Facility	8.68%	2026	\$ 670	\$ 670				
ABL	ABL								
Credit	Credit								
Facility	Facility	6.78%	2027	1,152	812				
Senior Notes	Senior Notes	6.75%	2029	500	500				
Other secured loans	Other secured loans	4.43%	2025	5	9				
Debt issuance costs, net	Debt issuance costs, net			(20)	(22)				
Original issue discount on debt	Original issue discount on debt			(6)	(6)				
Long-term debt, including current portion	Long-term debt, including current portion			2,301	1,963				
Less: current portion of long-term debt	Less: current portion of long-term debt			(5)	(7)				
Long-term debt	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 \$6 million as of **October 28, 2023** **January 27, 2024** 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 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, 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, 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** \$2,600 million) or the Borrowing Base.

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

(in millions)	(in millions)	October		(in millions)	January 27,	July 29, 2023
		28, 2023	July 29, 2023		2024	
Certain inventory assets included in Inventories, net	Certain inventory assets included in Inventories, net			\$2,173	\$1,861	
Certain receivables included in Accounts receivable, net	Certain receivables included in Accounts receivable, net	624	571			
Pharmacy prescription files included in Intangible assets, net	Pharmacy prescription files included in Intangible assets, net	9	11			
Total	Total	\$2,806	\$2,443			

As of **October 28, 2023** **January 27, 2024**, the Borrowers' Borrowing Base was **\$2,550** \$2,606 million, reflecting the advance rates described above and **\$101 million** \$105 million of reserves, which is **below** **above** the \$2,600 million limit of availability. This resulted in total availability of **\$2,550 million** \$2,600 million for loans and letters of credit under the ABL Credit Facility. The Company's unused credit under the ABL Credit Facility was as follows:

	October 28, 2023	January 27, 2024
(in millions)		
Total availability for ABL loans and letters of credit	\$ 2,550	2,600
ABL loans outstanding	(1,152)	(1,054)
Letters of credit outstanding	(150)	
Unused credit	\$ 1,248	1,396

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:

Range of Facility Rates and Fees (per annum) (per annum)		Range of Facility Rates and Fees (per annum)			January 27, 2024
Borrowers' applicable margin for base rate loans	Borrowers' applicable margin for base rate loans	0.00%	0.00%	Borrowers' applicable margin for base rate loans	0.00% - 0.25% 0.00 %
Borrowers' applicable margin for SOFR and BA loans <sup>(1)</sup>	Borrowers' applicable margin for SOFR and BA loans <sup>(1)</sup>	1.00%	1.00%	Borrowers' applicable margin for SOFR and BA loans <sup>(1)</sup>	1.00% - 1.25% 1.00 %
Unutilized commitment fees	Unutilized commitment fees	0.20%	0.20%	Unutilized commitment fees	0.20% 0.20 %
Letter of credit fees	Letter of credit fees	1.125%	1.375%	Letter of credit fees	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 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.

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 **October 28, 2023** **January 27, 2024** and July 29, 2023, there was **\$612 million** **\$608 million** and \$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. The potential amount of prepayment from Excess Cash Flow in fiscal 2024 that may be required in fiscal 2025 is not reasonably estimable as of **January 27, 2024**.

of **October 28, 2023**.

As of **October 28, 2023** **January 27, 2024**, the Company had borrowings of **\$670 million** **\$645 million** outstanding under the Term Loan Facility, which are presented in the Condensed Consolidated Balance Sheets net of debt issuance costs of **\$7 million** **\$5 million** and an original issue discount on debt of **\$6 million** **\$5 million**. As of **October 28, 2023** **January 27, 2024**, no amount of the Term Loan Facility was classified as current.

As of **October 28, 2023** **January 27, 2024**, the borrowings under the Term Loan Facility bear interest at rates that, at the Term 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 SOFR rate shall never be less than 0.0%.

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

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

(in millions)	(in millions)	Other				Foreign				(in millions)	Other Cash Flow Derivatives	Benefit Plans	Foreign Currency Translation	Swap Agreements	Total
		Cash Flow Derivatives	Benefit Plans	Currency Translation	Swap Agreements	Total									
Accumulated other comprehensive (loss) income at July 29, 2023	Accumulated other comprehensive (loss) income at July 29, 2023	\$ —	\$ (21)	\$ (21)	\$ 14	\$ (28)									
Other comprehensive income (loss) before reclassifications		1	—	(3)	1	(1)									
Other comprehensive loss before reclassifications															
Amortization of amounts included in net periodic benefit income															
Amortization of cash flow hedges	Amortization of cash flow hedges	—	—	—	(4)	(4)									
Net current period Other comprehensive income (loss)	Net current period Other comprehensive income (loss)	—	—	—	(4)	(4)									
Accumulated other comprehensive income (loss) at October 28, 2023		\$ 1	\$ (21)	\$ (24)	\$ 11	\$ (33)									
Accumulated other comprehensive (loss) income at January 27, 2024															

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

(in millions)	(in millions)	Other				Foreign				(in millions)	Other Cash Flow Derivatives	Benefit Plans	Foreign Currency Translation	Swap Agreements	Total
		Cash Flow Derivatives	Benefit Plans	Currency Translation	Swap Agreements	Total									
Accumulated other comprehensive income (loss) at July 30, 2022	Accumulated other comprehensive income (loss) at July 30, 2022	\$ 2	\$ (3)	\$ (19)	\$ —	\$ (20)									
Other comprehensive (loss) income before reclassifications	Other comprehensive (loss) income before reclassifications	(1)	—	(3)	18	14									

Amortization of amounts included in net periodic benefit income	
Amortization of cash flow hedges	Amortization of cash flow hedges 1 — — — 1
Net current period Other comprehensive (loss) income	Net current period Other comprehensive (loss) income — — (3) 18 15
Accumulated other comprehensive income (loss) at October 29, 2022	\$ 2 \$ (3) \$ (22) \$ 18 \$ (5)
Accumulated other comprehensive income (loss) at January 28, 2023	

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

(in millions)	13-Week Period Ended				Affected Line Item on the Condensed Consolidated Statements of Operations	
	13-Week Period Ended		26-Week Period Ended			
	January 27, 2024	January 28, 2023	January 27, 2024	January 28, 2023		
<b>Pension and postretirement benefit plan net assets:</b>						
Amortization of amounts included in net periodic benefit income <sup>(1)</sup>	\$ 1	\$ 1	\$ 1	\$ 1	Net periodic benefit income, excluding service cost (Benefit) provision for income taxes	
Income tax expense (benefit)	—	—	—	—		
Total reclassifications, net of tax	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 1</u>		
<b>Swap agreements:</b>						
Reclassification of cash flow hedges	\$ (5)	\$ (4)	\$ (10)	\$ (4)	Interest expense, net (Benefit) provision for income taxes	
Income tax expense	2	1	3	1		
Total reclassifications, net of tax	<u>\$ (3)</u>	<u>\$ (3)</u>	<u>\$ (7)</u>	<u>\$ (3)</u>		
<b>Other cash flow hedges:</b>						

Reclassification of cash flow hedge	\$ —	\$ 1	\$ —	\$ 2	Cost of sales (Benefit) provision for income taxes
Income tax benefit	—	(1)	—	(1)	
Total reclassifications, net of tax	\$ —	\$ —	\$ —	\$ 1	

(1) Reclassification of amounts included in net periodic benefit income include reclassification of prior service cost as reflected in Note 11—Benefit Plans.

(in millions)	October 28, 2023		October 29, 2022		Affected Line Item on the Condensed Consolidated Statements of Operations
<b>Swap agreements:</b>					
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)	\$ —	\$ —	\$ —	
<b>Other cash flow hedges:</b>					
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 **October 28, 2023** **January 27, 2024**, the Company expects to reclassify **\$15** **\$11** 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 10—SHARE-BASED AWARDS

In fiscal 2024 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 3.3 million shares. As of **October 28, 2023** **January 27, 2024**, there were **2.2 million** **1.7 million** shares available for issuance under the **Second** **Third** Amended and Restated 2020 Equity Incentive Plan.

#### NOTE 11—BENEFIT PLANS

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

(in millions)	13-Week Period Ended				13-Week Period Ended		
	Pension Benefits		Other Postretirement Benefits		Pension Benefits		Other Postretirement Benefits
	October 28, 2023	October 29, 2022	October 28, 2023	October 29, 2022	(in millions)	January 27, 2024	January 28, 2023
Interest cost	Interest cost	\$ 19	\$ 17	\$ —	\$ —	January 28, 2023	January 27, 2024
Expected return on plan assets	Expected return on plan assets	(22)	(24)	—	—	January 27, 2024	January 28, 2023
Net periodic benefit income	\$ (3)	\$ (7)	\$ —	\$ —	\$ —		
Amortization of prior service cost							

Net periodic benefit (income) cost	
Contributions to benefit plans	Contributions to benefit plans
	\$ — \$ — \$ — \$ —
Contributions to benefit plans	
Contributions to benefit plans	

(in millions)	26-Week Period Ended			
	Pension Benefits		Other Postretirement Benefits	
	January 27, 2024	January 28, 2023	January 27, 2024	January 28, 2023
Interest cost	\$ 37	\$ 32	\$ —	\$ —
Expected return on plan assets	(45)	(47)	—	—
Amortization of prior service cost	—	—	1	1
Net periodic benefit (income) cost	\$ (8)	\$ (15)	\$ 1	\$ 1
Contributions to benefit plans	\$ —	\$ —	\$ —	\$ —

#### Contributions

No minimum pension contributions are required to be made to the SUPERVALU INC. Retirement Plan under the Employee Retirement Income Security Act of 1974, as amended, ("ERISA") in fiscal 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 2024.

#### Multiemployer Pension Plans

The Company contributed \$13 million and \$11 million in the first second quarters of fiscal 2024 and 2023, respectively, and \$26 million and \$23 million in fiscal 2024 and 2023 year-to-date, respectively, to multiemployer pension plans, which contributions are included within Operating expenses.

#### NOTE 12—INCOME TAXES

The effective tax rate for the first second quarter of fiscal 2024 was a benefit rate of 18.8% 26.3% on pre-tax loss compared to an expense rate of 6.9% 29.0% on pre-tax income for the first second quarter of fiscal 2023. The change from the first second quarter of fiscal 2023 is primarily driven by the reduction in pre-tax income during the second quarter of fiscal 2023.

The effective tax rate for fiscal 2024 year-to-date was a benefit rate of 20.9% on pre-tax loss compared to an expense rate of 13.6% on pre-tax income for fiscal 2023 year-to-date. The change from fiscal 2023 year-to-date is primarily driven by the reduction of discrete tax benefits related to employee stock award vestings in the first quarter of fiscal 2024. In addition, the first quarter of fiscal 2023 included a tax benefit from the release of reserves for unrecognized tax positions that did not recur in the first quarter of fiscal 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 were discrete tax detriments and benefits, respectively, resulting from share award vestings.

#### NOTE 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	13-Week Period Ended	26-Week Period Ended

					January 27, 2024	January 28, 2023
	October 28, 2023	October 29, 2022	(in millions, except per share data)	January 27, 2024		
(in millions, except per share data)	(in millions, except per share data)					
Basic weighted average shares outstanding	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	—	2.8			
Diluted weighted average shares outstanding	Diluted weighted average shares outstanding	58.7	61.6			
Basic (loss) earnings per share <sup>(1)</sup>	Basic (loss) earnings per share <sup>(1)</sup>			\$ (0.67)	\$ 1.12	
Basic (loss) earnings per share <sup>(1)</sup>	Basic (loss) earnings per share <sup>(1)</sup>					
Diluted (loss) earnings per share <sup>(1)</sup>	Diluted (loss) earnings per share <sup>(1)</sup>			\$ (0.67)	\$ 1.07	
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	
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					

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

#### NOTE 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 three U.S geographic regions: East, Central and 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.

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

		13-Week Period Ended		13-Week Period Ended		26-Week Period Ended		
		13-Week Period Ended		13-Week Period Ended		26-Week Period Ended		
(in millions)	(in millions)	October 28, 2023	October 29, 2022	(in millions)	January 27, 2024	January 28, 2023	January 27, 2024	January 28, 2023
<b>Net sales:</b>	<b>Net sales:</b>							
Wholesale <sup>(1)</sup>	Wholesale <sup>(1)</sup>	\$ 7,281	\$ 7,259					
Retail	Retail	606	613					
Other	Other	60	60					
Eliminations	Eliminations	(395)	(400)					
Total Net sales	Total Net sales	\$ 7,552	\$ 7,532					
<b>Adjusted EBITDA:</b>	<b>Adjusted EBITDA:</b>							
Wholesale	Wholesale	\$ 117	\$ 171					
Wholesale	Wholesale							
Retail	Retail	(1)	20					
Other	Other	3	19					
Eliminations	Eliminations	(2)	(3)					
Adjustments:	Adjustments:							
Net income attributable to noncontrolling interests								
Net income attributable to noncontrolling interests								
Net income attributable to noncontrolling interests	Net income attributable to noncontrolling interests	—	1					
Net periodic benefit income, excluding service cost	Net periodic benefit income, excluding service cost	3	7					
Interest expense, net	Interest expense, net	(35)	(35)					
Other income, net	Other income, net	—	1					
Depreciation and amortization	Depreciation and amortization	(78)	(74)					
Share-based compensation	Share-based compensation	(6)	(12)					

LIFO charge	LIFO charge	(7)	(21)
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
Business transformation costs	Business transformation costs	(15)	(5)
Business transformation costs			
Business transformation costs			
Other adjustments	Other adjustments	(4)	—
(Loss) income before income taxes	(Loss) income before income taxes	\$ (48)	\$ 72
Depreciation and amortization:	Depreciation and amortization:		
Wholesale	Wholesale	\$ 67	\$ 64
Wholesale	Wholesale		
Retail	Retail	8	8
Other	Other	3	2
Total depreciation and amortization	Total depreciation and amortization	\$ 78	\$ 74
Payments for capital expenditures:	Payments for capital expenditures:		
Wholesale	Wholesale	\$ 71	\$ 57
Wholesale	Wholesale		
Retail	Retail	3	10
Total capital expenditures	Total capital expenditures	\$ 74	\$ 67

(1) As presented in Note 3—Revenue Recognition, the Company recorded \$321 million \$330 million and \$334 million \$353 million for the first second quarters of fiscal 2024 and 2023, respectively, and \$651 million and \$687 million in fiscal 2024 and 2023 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)	October		January 27, 2024	July 29, 2023
		28,	July 29,		
Assets:	Assets:	2023	2023	(in millions)	
Wholesale	Wholesale				
Wholesale	Wholesale				
Wholesale	Wholesale	\$ 6,858	\$ 6,405		
Retail	Retail	649	648		
Other	Other	380	377		

Eliminations	Eliminations	(39)	(36)
Total assets	Total assets	\$7,848	\$7,394

## NOTE 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 **October 28, 2023** **January 27, 2024**. 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 **October 28, 2023** **January 27, 2024**, the maximum amount of undiscounted payments the Company would be required to make in the event of default of all guarantees was **\$14 million** **\$11 million** (**\$11.9 million** on a discounted basis). Based on the indemnification agreements, personal guarantees and results of the reviews of performance risk, as of **October 28, 2023** **January 27, 2024**, a total estimated loss of **less than \$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.

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 **October 28, 2023** **January 27, 2024**, the Company had approximately **\$606 million** **\$657 million** of non-cancelable future purchase obligations, most of which will be paid and utilized in the ordinary course within one year.

As of **October 28, 2023** **January 27, 2024**, the Company had commitments of **\$778 million** **\$323 million** for future undiscounted minimum lease payments on leases signed but not yet commenced with terms of up to 21 years from commencement date. A lease agreement for a facility in Manchester, Pennsylvania entered into in fiscal 2023 commenced in the second quarter of fiscal 2024 resulting in the recognition of a \$205 million right-of-use asset and operating lease liability in the Condensed Consolidated Balance Sheets.

### 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. 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. The Company believes these claims are without merit and intends to vigorously 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 thereafter entered** a scheduling order setting various discovery and expert deadlines. The Company anticipates the trial date **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. 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 rehearing which was denied 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 Briefing is complete and oral argument is scheduled for May 20, 2024.** On February 16, 2024, the defendants filed a motion to reconsider the Court's August 5, 2019 partial grant of summary judgment to the motions were filed on October 21, 2023 relators and to continue the trial date. On February 27, 2024, the Court granted the defendants' motion for a trial date continuance and replies are due December 15, 2023 vacated the April 29, 2024 trial date. The trial is now scheduled to begin September 30, 2024.

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 **October 28, 2023** **January 27, 2024**, 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

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 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;
- our ability to operate, and rely on third parties to operate, reliable and secure technology systems;
- labor and other workforce shortages and challenges;
- the addition or loss of significant customers or material changes to our relationships with these customers;
- our ability to realize anticipated benefits of 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;
- our ability to maintain sufficient volume in our 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 inflation, changes in disposable income levels and 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;
- our ability to maintain food quality and safety; and
- volatility in fuel costs;

You should carefully review the risks described under "Risk Factors" included in Part I, Item 1A of our Annual Report on Form 10-K for the year ended 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 "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 as well. We offer approximately 250,000 products consisting of national, regional and private label brands grouped into the following main product categories: grocery and general merchandise; perishables; frozen foods; wellness and personal care items; and bulk and foodservice products. We believe we are North America's premier grocery wholesaler with 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 becoming a more effective and efficient business partner to our transformation strategy, customers, which we believe will position us for long-term profitable growth. Our enterprise-wide business transformation strategy consists initiatives consist of four areas: network automation and optimization; commercial value creation; digital offering enhancement and infrastructure unification and modernization. To enable this business transformation, these efforts, we have engaged consultants and recruited leadership with transformation the appropriate experience to upgrade and modernize our technology and platforms to better serve our customers.

We are also implementing near-term initiatives to help improve profitability while we execute our longer-term 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 contracts in collaboration with our customers and suppliers.

We expect to continue to use available capital to re-invest in our business and we remain committed to improving our financial leverage and reducing outstanding debt over the long term.

We believe we can enhance optimize our profitability performance and accelerate our growth profitability through our transformation improvement 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 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, confidence and behavior. 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 continues to affect our 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 area 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 the second quarter of fiscal 2024, we began the development of a new distribution center in Manchester, Pennsylvania, which has approximately 1.3 million square feet. We recognized a \$205 million right-of-use asset and operating lease liability for this distribution center in the second quarter of fiscal 2024.

#### **Retail Operations**

We currently operate 79 retail grocery stores, including 54 Cub Foods corporate stores and 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 Changes**

We experienced a mix of inflation and deflation across product categories during the first second quarter of fiscal 2024. In the aggregate across our businesses, including the mix of products, management estimates our businesses experienced product cost inflation of approximately three two percent in the first second quarter of fiscal 2024 as compared to the first second quarter of fiscal 2023. Cost inflation and deflation 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 and deflation 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 **first** **second** quarter of fiscal 2024, we experienced fewer and less significant vendor product cost increases as compared to the **first** **second** quarter of fiscal 2023. These decreases negatively impacted our gross profit rate when comparing the **first** **second** quarter of fiscal 2024 to the **first** **second** quarter of fiscal 2023.

#### **Composition of Condensed Consolidated Statements of Operations and Business Performance Assessment**

##### **Net Sales**

Our Net sales consist primarily of product sales of natural, organic, specialty, produce, and conventional grocery and non-food products, 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.

##### **Cost of Sales and Gross 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**

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 and Integration Related Expenses**

Restructuring, acquisition and integration related 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**

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**

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 including noncontrolling interests, less Net income attributable to noncontrolling interests, plus Non-operating income and expenses, including Net periodic benefit income, excluding service cost, Interest expense, net and Other (income) expense, net, plus (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, 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 in the fourth quarter of fiscal 2023 from prior periods reflect changes to line item references in our Consolidated Financial Statements, which do not impact the calculation of Adjusted EBITDA.

#### 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							
		13-Week Period Ended							
(in millions)	(in millions)	October 28, 2023	October 29, 2022	Change	January 2024	January 27, 2023	Change	January 27, 2024	January 28, 2023
Net sales	Net sales	\$7,552	\$7,532	\$ 20					
Cost of sales	Cost of sales	6,522	6,436	86					
Gross profit	Gross profit	1,030	1,096	(66)					
Operating expenses	Operating expenses	1,023	1,000	23					
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)					
Operating income	Operating income								
Net periodic benefit income, excluding service cost	Net periodic benefit income, excluding service cost	(3)	(7)	4					
Interest expense, net	Interest expense, net	35	35	—					
Other income, net	Other income, net	—	(1)	1					
(Loss) income before income taxes	(Loss) income before income taxes	(48)	72	(120)					
(Benefit) provision for income taxes	(Benefit) provision for income taxes	(9)	5	(14)					

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
Net (loss) income attributable to United Natural Foods, Inc.	Net (loss) income attributable to United Natural Foods, Inc.	\$ (39)	\$ 66	\$ (105)
Adjusted EBITDA	Adjusted EBITDA	\$ 117	\$ 207	\$ (90)
Adjusted EBITDA	Adjusted EBITDA			

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

		13-Week Period Ended				13-Week Period Ended	26-Week Period Ended
		October 28, 2023	October 29, 2022	January 27, 2024	January 28, 2023	January 27, 2024	January 28, 2023
(in millions)	(in millions)			(in millions)			
Net (loss) income including noncontrolling interests	Net (loss) income including noncontrolling interests	\$ (39)	\$ 67				
Adjustments to net (loss) income including noncontrolling interests:	Adjustments to net (loss) income including noncontrolling interests:						
Less net income attributable to noncontrolling interests	Less net income attributable to noncontrolling interests						
Less net income attributable to noncontrolling interests	Less net income attributable to noncontrolling interests						
Less net income attributable to noncontrolling interests	Less net income attributable to noncontrolling interests	—	(1)				
Net periodic benefit income, excluding service cost	Net periodic benefit income, excluding service cost	(3)	(7)				
Interest expense, net	Interest expense, net	35	35				
Other income, net	Other income, net	—	(1)				

(Benefit) provision for income taxes	(Benefit) provision for income taxes	(9)	5
Depreciation and amortization	Depreciation and amortization	78	74
Share-based compensation	Share-based compensation	6	12
LIFO charge	LIFO charge	7	21
Restructuring, acquisition and integration related expenses	Restructuring, acquisition and integration related expenses	4	2
Loss (gain) on sale of assets and other asset charges <sup>(1)</sup>	Loss (gain) on sale of assets and other asset charges <sup>(1)</sup>	19	(5)
Business transformation costs <sup>(2)</sup>	Business transformation costs <sup>(2)</sup>	15	5
Other adjustments <sup>(3)</sup>	Other adjustments <sup>(3)</sup>	4	—
<b>Adjusted EBITDA</b>	<b>Adjusted EBITDA</b>	<b>\$ 117</b>	<b>\$ 207</b>

(1) The first quarter of fiscal **Fiscal 2024** includes a \$21 million non-cash asset impairment charge related to one of our corporate-owned office **locations** **locations** in the first quarter of fiscal **2024**.

(2) Reflects 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) Primarily reflects third-party professional service fees related to shareholder negotiations.

## RESULTS OF OPERATIONS

### Net Sales

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

Customer Channel <sup>(1)</sup>	Customer Channel <sup>(1)</sup>	13-Week Period Ended		Increase (Decrease)	
		October 28, 2023	October 29, 2022	\$	%
Customer Channel <sup>(1)</sup>	Customer Channel <sup>(1)</sup>				
Customer Channel <sup>(1)</sup>	Customer Channel <sup>(1)</sup>				
Chains	Chains				
Chains	Chains	\$ 3,184	\$ 3,224	\$ (40)	(1.2) %
Independent retailers	Independent retailers	1,899	1,947	(48)	(2.5) %
Independent retailers	Independent retailers				
Supernatural	Supernatural				
Supernatural	Supernatural	1,612	1,513	99	6.5 %
Retail	Retail	606	613	(7)	(1.1) %
Retail	Retail				
Other	Other				
Other	Other				

Other	Other	646	635	11	1.7	%
Eliminations	Eliminations	(395)	(400)	5	(1.3)	%
Eliminations						
Total net sales	Total net sales	\$ 7,552	\$ 7,532	\$ 20	0.3	%
Total net sales						
Total net sales						

(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.

#### Second Quarter

Our Net sales for the **first** **second** quarter of fiscal 2024 **increased** **decreased** approximately **0.3%** **0.5%** from the **first** **second** quarter of fiscal 2023. The **increase** **decrease** in Net sales was primarily driven by a decline in unit volumes, which was partially offset by inflation and new business with existing customers, primarily resulting from growth in our Supernatural channel. **These increases were largely offset by a decrease in units sold.**

Retail Net sales decreased primarily due to a **3.2%** **4.8%** decrease in identical store sales from lower volume.

#### Year-to-Date

Our Net sales for fiscal 2024 year-to-date decreased approximately 0.1% from fiscal 2023 year-to-date. The decrease in Net sales was primarily driven by a decline in unit volumes. This decrease was largely offset by inflation and new business with existing customers, primarily resulting from growth in our Supernatural channel.

Retail Net sales decreased primarily due to a 4.0% decrease in identical store sales from lower volume.

#### *Cost of Sales and Gross Profit*

Our **gross** **Gross** profit decreased **\$66 million** **\$34 million**, or **6.0%** **3.2%**, to **\$1,030 million** **\$1,035 million** for the **first** **second** quarter of fiscal 2024, from **\$1,096 million** **\$1,069 million** for the **first** **second** quarter of fiscal 2023. Our **gross** **Gross** profit as a percentage of Net sales decreased to **13.6%** **13.3%** for the **first** **second** quarter of fiscal 2024 compared to **14.6%** **13.7%** for the **first** **second** quarter of fiscal 2023. The LIFO charge was **\$7 million** **\$6 million** and **\$21 million** **\$29 million** in the **first** **second** quarters of fiscal 2024 and 2023, respectively. Excluding the non-cash LIFO charge, gross profit rate was **13.7%** **13.4%** of Net sales and **14.8%** **14.0%** of Net sales for the **first** **second** quarter of fiscal 2024 and 2023, respectively. The decrease in gross profit rate, excluding the LIFO charge, was primarily driven by lower levels of procurement gains resulting from decelerating inflation.

Our Gross profit decreased \$100 million, or 4.6%, to \$2,065 million for fiscal 2024 year-to-date, from \$2,165 million for fiscal 2023 year-to-date. Our Gross profit as a percentage of Net sales decreased to 13.5% for fiscal 2024 year-to-date compared to 14.1% for fiscal 2023 year-to-date. The LIFO charge was \$13 million and \$50 million for fiscal 2024 and 2023 year-to-date, respectively. Excluding the non-cash LIFO charge, gross profit rate was 13.6% of Net sales and 14.4% of Net sales for fiscal 2024 and fiscal 2023 year-to-date, respectively. The decrease in gross profit rate, excluding the LIFO charge, was primarily driven by lower levels of procurement gains resulting from decelerating inflation.

#### *Operating Expenses*

Operating expenses increased **\$23 million** **\$8 million**, or **2.3%** **0.8%**, to **\$1,023 million** **\$1,010 million**, or **13.5%** **13.0%** of Net sales, for the **first** **second** quarter of fiscal 2024 compared to **\$1,000 million** **\$1,002 million**, or **13.3%** **12.8%** of Net sales, for the **first** **second** quarter of fiscal 2023. The increase in Operating expenses as a percentage of Net sales was primarily driven by investments in our transformation initiatives, partially offset by lower transportation and distribution center labor costs due to increased operational efficiencies across our supply chain.

Operating expenses increased \$31 million, or 1.5%, to \$2,033 million, or 13.3% of Net sales, for fiscal 2024 year-to-date compared to \$2,002 million, or 13.0% of Net sales, for fiscal 2023 year-to-date. The increase in Operating expenses as a percentage of Net sales was primarily driven by investments in our transformation initiatives, partially offset by lower transportation and a decrease in volume, distribution center labor costs due to increased operational efficiencies across our supply chain.

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

Loss on sale of assets and other asset charges was \$19 million in increased \$4 million to \$5 million for the **first** **second** quarter of fiscal 2024, from \$1 million for the second quarter of fiscal 2023, driven by a gain on the sale of property and equipment during the second quarter of fiscal 2023, which partially offset losses on the sales of receivables under the accounts receivable monetization program incurred in both periods.

Loss on sale of assets and other asset charges was \$24 million for fiscal 2024 year-to-date, compared to a gain on sale of assets of \$5 million \$4 million for the first quarter of fiscal 2023. The first quarter of fiscal 2023 year-to-date. Fiscal 2024 year-to-date primarily includes a \$21 million asset impairment charge related to one of our corporate-owned office locations. There were no asset impairment charges. Fiscal 2024 year-to-date also includes higher losses on the sales of receivables under the accounts receivable monetization program, which was entered into early in the **first** **second** quarter of fiscal 2023.

#### Operating (Loss) Income

Reflecting the factors described above, Operating loss increased \$115 million income decreased \$47 million to \$16 million for the first second quarter of fiscal 2024, compared to operating income of \$99 million \$63 million for the first second quarter of fiscal 2023. The increase decrease in operating loss Operating income was primarily driven by a decrease in Gross profit a loss on sale of assets and other asset charges in the first quarter of fiscal 2024 compared to a gain in the first quarter of fiscal 2023, and an increase in Operating expenses, each as described above.

Reflecting the factors described above, Operating income decreased \$162 million to \$0 million for fiscal 2024 year-to-date, compared to operating income of \$162 million for fiscal 2023 year-to-date. The decrease in Operating income was primarily driven by a decrease in Gross profit, an increase in Operating expenses, and a loss on sale of assets and other asset charges in fiscal 2024 year-to-date compared to a gain in fiscal 2023 year-to-date, each as described above.

#### Interest Expense, Net

		13-Week Period Ended		13-Week Period Ended		13-Week Period Ended		13-Week Period Ended		26-Week Period Ended	
		October 28, 2023	October 29, 2022	January 27, 2024		January 28, 2023		January 27, 2024		January 28, 2023	
(in millions)	(in millions)			(in millions)							
Interest	Interest										
Interest expense on long-term debt, net of capitalized interest	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								
Amortization of financing costs and discounts	Amortization of financing costs and discounts	2	2								
Loss on debt extinguishment	Interest										
Interest income	Interest income	(1)	—								
Interest expense, net	Interest expense, net	\$ 35	\$ 35								

The increase in interest expense, net, in the first second quarter of fiscal 2024 was unchanged from compared to the first second quarter of fiscal 2023 as was primarily driven by higher average interest rates, were partially offset by lower loss on debt extinguishment.

The increase in interest expense, net, in fiscal 2024 year-to-date compared to fiscal 2023 year-to-date was primarily driven by higher average interest rates, partially offset by lower loss on debt extinguishment and lower outstanding debt balances and higher interest income, balances.

#### (Benefit) Provision for Income Taxes

The effective tax rate for the first second quarter of fiscal 2024 was a benefit rate of 18.8% 26.3% on pre-tax loss compared to an expense rate of 6.9% 29.0% on pre-tax income for the first second quarter of fiscal 2023. The change from the first second quarter of fiscal 2023 is primarily driven by the reduction in pre-tax income during the second quarter of fiscal 2023.

The effective tax rate for fiscal 2024 year-to-date was a benefit rate of 20.9% on pre-tax loss compared to an expense rate of 13.6% on pre-tax income for fiscal 2023 year-to-date. The change from fiscal 2023 year-to-date is primarily driven by the reduction of discrete tax benefits related to employee stock award vestings in the first quarter of fiscal 2024. In addition, the first quarter of fiscal 2023 included a tax benefit from the release of reserves for unrecognized tax positions that did not recur in the first quarter of fiscal 2024.

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

Reflecting the factors described in more detail above, Net loss attributable to United Natural Foods, Inc. was ~~\$39 million~~ \$15 million, or ~~\$0.67~~ \$0.25 per diluted common share, for the ~~first~~ second quarter of fiscal 2024, compared to Net income attributable to United Natural Foods, Inc. of ~~\$66 million~~ \$19 million, or ~~\$1.07~~ \$0.31 per diluted common share, for the ~~first~~ second quarter of fiscal 2023.

Reflecting the factors described in more detail above, Net loss attributable to United Natural Foods, Inc. was \$54 million, or \$0.92 per diluted common share, for fiscal 2024 year-to-date, compared to Net income attributable to United Natural Foods, Inc. of \$85 million, or \$1.38 per diluted common share, for fiscal 2023 year-to-date.

**Segment Results of Operations**

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 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.

		13-Week Period Ended			13-Week Period Ended					
		October 28, 2023	October 29, 2022	Change	January 27, 2024	January 28, 2023	Change	January 27, 2024	January 28, 2023	Change
Net sales:		Net sales:								
Wholesale	Wholesale									
Wholesale	Wholesale									
Wholesale	Wholesale	\$ 7,281	\$ 7,259	\$ 22						
Retail	Retail	606	613	(7)						
Other	Other	60	60	—						
Eliminations	Eliminations	(395)	(400)	5						
Total Net sales	Total Net sales	\$ 7,552	\$ 7,532	\$ 20						
Adjusted EBITDA:	Adjusted EBITDA:									
Wholesale	Wholesale	\$ 117	\$ 171	\$ (54)						
Wholesale	Wholesale									
Retail	Retail	(1)	20	(21)						
Other	Other	3	19	(16)						
Eliminations	Eliminations	(2)	(3)	1						
Total Adjusted EBITDA	Total Adjusted EBITDA	\$ 117	\$ 207	\$ (90)						

**Net Sales**

**Second Quarter**

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

Retail's Net sales decreased in the **first** **second** quarter of fiscal 2024 as compared to the **first** **second** quarter of fiscal 2023 primarily due to a **3.2%** **4.8%** decrease in identical store sales from lower volume.

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

#### Year-to-Date

Wholesale's Net sales decreased for fiscal 2024 year-to-date as compared to fiscal 2023 year-to-date primarily due to a decline in unit volumes and declines in the Independent retailers and Chains channels, partially offset by inflation and growth in the Supernatural channel, as discussed in Results of Operations - Net Sales section above.

Retail's Net sales decreased for fiscal 2024 year-to-date as compared to fiscal 2023 year-to-date primarily due to a 4.0% decrease in identical store sales from lower volume.

Lower eliminations of Net sales for fiscal 2024 year-to-date as compared to fiscal 2023 year-to-date were primarily due to a decrease in Wholesale to Retail sales, which are eliminated upon consolidation.

#### *Adjusted EBITDA*

##### Second Quarter

Wholesale's Adjusted EBITDA decreased **31.6%** **13.9%** for the **first** **second** quarter of fiscal 2024 as compared to the **first** **second** quarter of fiscal 2023. The decrease was driven by a decline in gross profit excluding the LIFO charge, partially offset by a decrease in operating expenses. Wholesale's Gross profit excluding the LIFO charge for the **first** **second** quarter of fiscal 2024 decreased **\$62 million** **\$30 million** and gross profit rate decreased approximately **89** **36** basis points driven by lower levels of procurement gains resulting from decelerating inflation. Wholesale's Operating expense decreased **\$8 million** **\$11 million**, which excludes depreciation and amortization, share-based compensation and other adjustments as outlined in Note 14—Business Segments. Wholesale's operating expense rate decreased **14** **11** basis points primarily driven by lower transportation and distribution center labor costs due to a decrease in volume and increased operational efficiencies across our supply chain. Wholesale's depreciation and amortization expense increased **\$3** **\$4** million in the **first** **second** quarter of fiscal 2024 as compared to the **first** **second** quarter of fiscal 2023.

Retail's Adjusted EBITDA decreased **105.0%** **71.4%** for the **first** **second** quarter of fiscal 2024 as compared to the **first** **second** quarter of fiscal 2023. The decrease was driven by a decline in gross profit primarily due to lower volume. Retail's Adjusted EBITDA excludes depreciation and amortization, share-based compensation, LIFO charge and other adjustments as outlined in Note 14—Business Segments. Retail's depreciation and amortization expense decreased \$2 million in the second quarter of fiscal 2024 as compared to the second quarter of fiscal 2023.

Other Adjusted EBITDA decreased \$11 million in the second quarter of fiscal 2024 as compared to the second quarter of fiscal 2023 primarily due to an increase in operating expenses.

#### Year-to-Date

Wholesale's Adjusted EBITDA decreased 23.7% for fiscal 2024 year-to-date as compared to fiscal 2023 year-to-date. The decrease was driven by a decline in gross profit excluding the LIFO charge, partially offset by a decrease in operating expenses. Wholesale's Gross profit excluding the LIFO charge for fiscal 2024 year-to-date decreased \$92 million and gross profit rate decreased approximately 62 basis points driven by lower levels of procurement gains resulting from decelerating inflation. Wholesale's Operating expense decreased \$19 million, which excludes depreciation and amortization, share-based compensation and other adjustments as outlined in Note 14—Business Segments. Wholesale's operating expense rate decreased 13 basis points primarily driven by lower transportation and distribution center labor costs due to a decrease in volume and increased operational efficiencies across our supply chain. Wholesale's depreciation and amortization expense increased \$7 million for fiscal 2024 year-to-date as compared to fiscal 2023 year-to-date.

Retail's Adjusted EBITDA decreased 85.4% for fiscal 2024 year-to-date as compared to fiscal 2023 year-to-date. The decrease was driven by a decline in gross profit primarily due to lower volume, and higher operating expenses primarily due to increased costs associated with new stores. Retail's Adjusted EBITDA excludes depreciation and amortization, share-based compensation, LIFO charge and other adjustments as outlined in Note 14—Business Segments. Retail's depreciation and amortization expense was flat/decreased \$2 million for fiscal 2024 year-to-date as compared to the first quarter of fiscal 2023, 2023 year-to-date.

Other Adjusted EBITDA decreased \$16 million in the first quarter of \$27 million for fiscal 2024 year-to-date as compared to the first quarter of fiscal 2023 year-to-date primarily due to an increase in operating expenses.

#### **LIQUIDITY AND CAPITAL RESOURCES**

##### *Highlights*

- Total liquidity as of **October 28, 2023** **January 27, 2024** was **\$1,285 million** **\$1,430 million** and consisted of the following:
  - Unused credit under our \$2,600 million asset-based revolving credit facility (the "ABL Credit Facility") was **\$1,248 million** **\$1,396 million** as of **October 28, 2023** **January 27, 2024**, which decreased **\$232 million** **\$84 million** from \$1,480 million as of July 29, 2023, primarily due to increased cash utilized to fund **seasonal** working capital increases.
  - Cash and cash equivalents was \$34 million as of **January 27, 2024**, which decreased \$3 million from \$37 million as of **October 28, 2023**, which was unchanged from July 29, 2023.
- Our total debt increased **\$338 million** **\$217 million** to **\$2,301 million** **\$2,180 million** as of **October 28, 2023** **January 27, 2024** from \$1,963 million as of July 29, 2023, primarily related to additional borrowings under the ABL Credit Facility to fund **seasonal** working capital increases.
- Working capital increased **\$322 million** **\$187 million** to **\$1,380 million** **\$1,245 million** as of **October 28, 2023** **January 27, 2024** from \$1,058 million as of July 29, 2023, primarily due to **seasonal** increases in **inventory** and accounts receivable and inventory levels, partially offset by an increase combined with a decrease in accounts payable, related to **inventories**, **accrued expenses** and **other current liabilities**.

#### *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 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.

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 2024 year-to-date, we borrowed a net **\$340 million** **\$242 million** under the ABL Credit Facility and made voluntary prepayments on the Term Loan Facility totaling **\$25 million**. Refer to Note 8—Long-Term Debt in Part I, Item 1 of this Quarterly Report on Form 10-Q for a detailed discussion of the provisions of our credit facilities and certain long-term debt agreements and 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 **October 28, 2023** **January 27, 2024**, we had an aggregate of **\$750 million** **\$850 million** of floating rate notional debt subject to active interest rate swap contracts, which effectively fix the SOFR component of our floating interest payments through pay fixed and receive floating interest rate swap agreements. These fixed rates range from 2.360% to

2.875% 3.777%, with maturities between October 2023 March 2024 and October 2025 June 2027. The fair values of these interest rate derivatives represent a total net asset of \$19 million \$13 million as of October 28, 2023 January 27, 2024, 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 October 28, 2023 January 27, 2024, 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 and Cloud Technology Implementation Expenditures

Our capital expenditures increased \$7 million in the first quarter of decreased \$10 million for fiscal 2024 year-to-date to \$74 million \$141 million compared to \$67 million \$151 million for the first quarter of fiscal 2023 year-to-date, primarily due to automation investments in our supply chain. lower retail expenditures. Our capital spending for the first quarter of fiscal 2024 and 2023 year-to-date principally included supply chain and information technology and supply chain expenditures, including maintenance expenditures and investments in growth initiatives. initiatives and maintenance expenditures. Cloud technology implementation expenditures, which are included in operating activities in the Condensed Consolidated Statements of Cash Flows, were \$17 million for fiscal 2024 year-to-date compared to \$3 million for fiscal 2023 year-to-date.

Fiscal 2024 capital and cloud implementation spending is expected to be approximately \$400 million and include projects that automate, optimize and expand our distribution network, as well as our technology platform investments. We expect to finance fiscal 2024 capital and cloud implementation 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:

(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 decrease in Net cash used in operating activities in the first quarter of fiscal 2024 compared to the first quarter of fiscal 2023 was primarily due to lower levels of cash utilized in net working capital, partially offset by lower cash generated from net income in the first quarter of fiscal 2024.

(in millions)	26-Week Period Ended			Change
	January 27, 2024	January 28, 2023		
Net cash (used in) provided by operating activities	\$ (71)	\$ 270		\$ (341)
Net cash used in investing activities	(142)	(143)		1
Net cash provided by (used in) financing activities	210	(131)		341
Effect of exchange rate on cash	—	—		—
Net decrease in cash and cash equivalents	(3)	(4)		1
Cash and cash equivalents, at beginning of period	37	44		(7)
Cash and cash equivalents, at end of period	\$ 34	\$ 40		\$ (6)

The increase in net cash used in investing operating activities in the first quarter of fiscal 2024 year-to-date compared to the first quarter of fiscal 2023 year-to-date was primarily due to an increase in monetization of certain receivables in fiscal 2023 year-to-date and lower cash generated from net income in fiscal 2024 year-to-date.

The decrease in net cash used in investing activities in fiscal 2024 year-to-date compared to fiscal 2023 year-to-date was primarily due to lower payments for capital expenditures, partially offset by increased payments for investments in the first quarter of fiscal 2024. 2024 year-to-date.

The increase in net cash provided by financing activities in the first quarter of fiscal 2024 year-to-date compared to the first quarter of fiscal 2023 year-to-date was primarily due to 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 revolving credit line, resulting from increases in net cash used in operating activities, as described above.

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

#### *Pension and Other Postretirement Benefit Obligations*

In fiscal 2024, 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"). An insignificant amount of contributions are expected to be made to defined benefit pension plans and postretirement benefit plans in fiscal 2024. We fund our defined benefit pension 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 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 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 \$48 million in fiscal 2023. In fiscal 2024, we expect to contribute approximately \$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 repurchase program for up to \$200 million of our common stock over a term of four years (the "2022 Repurchase Program"). We did not repurchase any shares of our common stock in the first quarter of fiscal 2024, 2024 year-to-date. As of October 28, 2023 January 27, 2024, we had \$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 7—Derivatives and Note 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 **first** **second** quarter of fiscal 2024 that materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

### **PART II. OTHER INFORMATION**

#### **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 15—Commitments, Contingencies and Off-Balance Sheet Arrangements in Part I, Item **1** 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, Use of Proceeds, and Issuer Purchases of Equity Securities**

On September 21, 2022, our Board of Directors authorized the 2022 Repurchase Program for up to \$200 million of our common stock over a term of four years. Under the 2022 Repurchase 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** **second** quarter of fiscal 2024. As of **October 28, 2023** **January 27, 2024**, 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.

*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**

Following a dispute regarding the terms of a previously disclosed Change in Control Agreement, dated November 30, 2015 and related Transition Agreement, dated October 22, 2018, as amended from time to time (collectively, the "Change in Control Agreement"), on March 1, 2024, United Natural Foods, Inc. (the "Company") and Michael C. Stigers, former Chief Executive Officer, UNFI Retail, entered into a settlement agreement (the "Settlement Agreement"), pursuant to which, in exchange for a waiver and release of claims, the

Company will pay Mr. Stigers \$900,000 (a portion of which will be paid directly to his attorney) in satisfaction of the terms of the Change in Control Agreement. The Settlement Agreement contains customary terms, including incorporation of existing confidentiality, non-competition and non-solicitation provisions in favor of the Company.

The foregoing description of the Settlement Agreement does not purport to be complete and is qualified in its entirety by reference to the complete Settlement Agreement, a copy of which is filed herewith as Exhibit 10.2.

## Item 6. Exhibits

Exhibit No.	Description
2.1	<a href="#">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).</a>
2.2	<a href="#">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).</a>
3.1	<a href="#">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).</a>
3.2	<a href="#">Fifth Amended and Restated Bylaws of the Registrant (incorporated by reference to the Registrant's Annual Report on Form 10-K for the quarter ended April 29, 2023).</a>
10.1**	<a href="#">Third Amended and Restated United Natural Foods, Inc. Annual 2020 Equity Incentive Plan (Filed as further amended, effective as of September 21, 2023 (incorporated by reference Annex A to the Registrant's Annual Report Registrant's Proxy Statement on Form 10-K for the year ended July 29, 2023 DEF 14A filed on November 8, 2023).</a>
10.2**	<a href="#">Form of RSU Award Settlement Agreement (CEO) (for grants made after September 21, 2023) pursuant to and Release by and between the Registrant's Second Amended Registrant 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), Michael C. Stigers, dated March 1, 2024.</a>
10.3**	<a href="#">Form of PSU 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).</a>
10.4**	<a href="#">Form of RSU 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).</a>
10.5**	<a href="#">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).</a>
10.6**	<a href="#">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).</a>
10.7**	<a href="#">Form of Indemnification Agreement (incorporated by reference to the Registrant's Annual Report on Form 10-K for the year ended July 29, 2023).</a>
10.8	<a href="#">Cooperation Agreement, dated as of 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's Current Report on Form 8-K, filed on September 26, 2023 (for agreements entered into after February 29, 2024).</a>
31.1*	<a href="#">Certification of CEO pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
31.2*	<a href="#">Certification of CFO pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
32.1*	<a href="#">Certification of CEO pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
32.2*	<a href="#">Certification of CFO pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
101*	The following materials from the United Natural Foods, Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended October 28, 2023 January 27, 2024, 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 <a href="#">first</a> <a href="#">second</a> quarter of fiscal 2024, filed with the SEC on <a href="#">December 6, 2023</a> <a href="#">March 6, 2024</a> , formatted in Inline XBRL (included as Exhibit 101).

\* 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: December 6, 2023 March 6, 2024

3843

Exhibit 10.2

**SETTLEMENT AGREEMENT AND RELEASE**

This Settlement Agreement, and the Release attached hereto as **Exhibit A** (collectively, the "Agreement"), is made by and between Michael Stigers on behalf of himself, his agents, heirs, executors, administrators, and successors (collectively, "Stigers"), and United Natural Foods, Inc. and its current and former operating companies, owners, officials, directors, officers, employees, shareholders, affiliates, agents, employee benefit plans and plan administrators and fiduciaries, representatives, attorneys, insurers, subsidiaries, parents, divisions, branches, units, successors, predecessors, and assigns (collectively, "UNFI").

**WHEREAS**, Stigers has alleged that UNFI breached a Change of Control Agreement between Stigers and UNFI by failing to pay Stigers earned severance and asserted this claim and other claims in various writings including a draft Demand for Arbitration dated September 5, 2023 (collectively the "Claims"); and

**WHEREAS**, UNFI denies all material allegations in, and maintains affirmative defenses to, the Claims and continues to deny any liability for the Claims; and

**WHEREAS**, Following mediation efforts and an evaluation of alternatives including arbitration, Stigers and UNFI wish to avoid the time, expense, and uncertainty of further dispute, and desire to settle, fully and finally, any and all claims Stigers has or could have asserted against UNFI, including, but not limited to, all claims related to Stigers' employment with UNFI and his separation from employment with UNFI, whether or not asserted in the Claims; and

**WHEREAS**, Stigers and UNFI have considered their rights, options, and alternatives under the Agreement, and have been advised by legal counsel.

**NOW, THEREFORE**, in consideration of the foregoing recitals and all of the terms and conditions set forth herein, and for other good and valuable consideration, the sufficiency of which is acknowledged, the parties agree as follows:

**1. Consideration**. Subject to the following paragraphs, and in consideration for Stigers' agreement to the terms hereof, the parties agree to the following:

- a. Provided Stigers does not exercise his right of rescission as described in Paragraph V of the Release, UNFI agrees to pay Stigers \$900,000 ("the Payment"), broken down as follows:
  - i. UNFI will pay Stigers the sum of \$750,000.00, minus applicable deductions and withholdings for claimed lost wages and benefits, and for which Stigers shall be issued a Form W-2.

ii. UNFI will issue a check to Stigers' attorneys, Schaefer Halleen, in the amount of \$150,000.00 for claimed attorneys' fees and costs incurred by or on behalf of Stigers. UNFI will issue Form 1099s to both Schaefer Halleen and Stigers for such payments.

---

Should Stigers exercise his right of rescission as described in Paragraph V of the Release, he will not be entitled to the Payment or any of the other relief set forth herein. The Payment is also conditioned on UNFI's counsel's receipt of Stigers' and his attorneys' signed W-4 and W-9 forms. The Payment will be made within 30 calendar days after Stigers' signature of this Settlement Agreement and Exhibit A provided the expiration of all applicable rescission periods described in Paragraph V of the Release and receipt of all required tax documents.

- b. The parties agree that UNFI has no obligation to disburse the Payment unless all of the following three conditions are met: (1) Stigers executes this Settlement Agreement and Exhibit A, (2) the rescission periods specified in Paragraph V of Exhibit A have expired, and (3) Stigers and his counsel provide UNFI with copies of their respective W-4 and W-9s.
- c. The parties agree that the consideration offered Stigers is in full settlement of all of Stigers' actual and potential claims, charges and causes of action against UNFI which arose or could have arisen at any time prior to the execution of the Agreement including, but not limited to, those arising from or in any way related to his hiring by, employment with, application to, and termination from UNFI, and any and all claims for any type of legal, equitable, or statutory relief.
- d. With the exception of any long term incentive rights (e.g., RSUs or PSUs) to which Stigers may be entitled, the financial consideration described herein is the entire amount to be given to Stigers by UNFI. UNFI shall have no further liability to Stigers including, but not limited to, any claims or payments for attorneys' fees, costs, or disbursements.
- e. Stigers was granted RSUs and PSUs under the Amended and Restated United Natural Foods, Inc. 2020 Equity Incentive Plan, as amended from time to time, and any right he may have to these awards will be determined under the terms of that plan and the applicable award agreements.
- f. The parties agree that the Payment and other consideration is provided to Stigers in exchange for him entering into the Agreement and is not otherwise owed.

2. **Mutual Release.** In return for the consideration offered by UNFI, and other undertakings of UNFI stated herein, Stigers shall sign and be bound by the Agreement, including the Release attached as **Exhibit A**.

In addition, UNFI releases and discharges Stigers, and his agents and representatives, of and from all known debts, claims, demands, actions, causes of action, suits, sums of money, contracts, agreements, judgments and liabilities whatsoever, both in law and equity, that it ever had or now has, against Stigers, up to the date of the execution of this Agreement by all parties.

2

---

3. **Payment of Mediation Fees.** The parties agree that UNFI shall be responsible for payment of all mediator fees incurred in connection with this matter.

4. **No Right to Reemployment.** Stigers agrees that he shall have no right to apply for any job with UNFI in the future or otherwise seek reinstatement, employment, or reemployment with UNFI, directly or indirectly, either as an employee, independent contractor, or temporary employee. Stigers further agrees that UNFI may reject with impunity any application for employment that he might make and treat any such application as a nullity.

5. **Mutual Non-Disparagement.** Stigers agrees that he will not make any statement, written or verbal, or cause or encourage others to make any statements, written or verbal, that defame, disparage, or criticize the business reputation, practices, or conduct of UNFI and/or its past and present employees, directors, principals and officers. Stigers acknowledges and agrees that this prohibition extends to statements, written or verbal, made to all news media, social media, online, current or former customers (including Wakefern Food Corporation), potential customers, competitors, strategic partners, vendors, and employees (past and present). The Parties agree that this paragraph is a material provision of this Agreement and that any breach of this Paragraph shall be a material breach of this Agreement, and a violation of this Paragraph would cause irreparable harm to UNFI. This provision, however, shall not prohibit and/or prevent Stigers from providing truthful testimony in response to a lawful subpoena, court order, or as otherwise required by law.

UNFI agrees that it will instruct its Chief Executive Officer, Chief Financial Officer, Chief Human Resources Officer and General Counsel that they may not make any statement, written or verbal, or cause or encourage others to make any statements, written or verbal, that defames, disparages, or criticizes Stigers. This provision, however, shall not prohibit and/or prevent these individuals from providing truthful testimony in response to a lawful subpoena, court order, or as otherwise required by law.

6. **Confidentiality.**

a. Stigers and UNFI agree that this Agreement will be filed with the U.S. Securities and Exchange Commission ("SEC") in compliance with securities laws, but until such time of that filing ("Public Filing"), the Agreement and its terms shall remain confidential. At all times, both before and following the Public Filing, the Claims and underlying facts will remain confidential. If asked about the Agreement or the Claims, Stigers and UNFI will respond by referring individuals to the Public Filing. This section shall not preclude Stigers from informing his tax advisor, spouse, attorney, the Chairman of Wakefern Food Corporation, or the Senior Vice President, General Counsel of Wakefern Food Corporation of this Agreement; however, Stigers agrees to inform such individuals that, prior to the Public Filing, the Agreement shall remain confidential and may not be disclosed to or discussed with others. Stigers further agrees that he shall be held responsible if any of those individuals disclose information regarding the Agreement. This section shall not preclude UNFI from informing its auditors, tax advisors, attorneys, or other required professional service providers about this Agreement, the Claims, and the underlying facts. This

3

---

section shall not preclude the parties from providing information pursuant to subpoena or law.

b. In the event that Stigers believes he is legally obligated by statutory or regulatory requirements (including compulsory legal process), to make any disclosures about the Claims, the Agreement (before the Public Filing), or any of the confidential information described above, Stigers shall immediately notify UNFI's counsel, as soon as possible and at least five (5) calendar days before the date for disclosure. If UNFI takes any action to challenge such disclosure, Stigers shall defer making such disclosure until the challenge is finally resolved, unless ordered by a Court of competent jurisdiction to give the information notwithstanding the challenge.

c. Stigers recognizes and acknowledges that confidential information of various kinds (including, but not limited to, employee and personnel data and information), UNFI's present, past, and future strategies, plans, agreements, and proposals (including, but not limited to, UNFI's customer, marketing, financial, operations, and pricing strategies), and UNFI's financial and accounting information are valuable, special, and unique assets of UNFI's business. Stigers agrees that he will not disclose or cause or

permit to be disclosed any of such information or any other information UNFI treats as confidential, to any person, firm, corporation, association, or other entity for any reason or purpose.

7. **Return of Company Property.** Stigers acknowledges that, on or before the date he signed this Agreement, to the best of his knowledge, he returned all property of UNFI in his possession, including, but not limited to, all files, memoranda, spreadsheets, lists, privileged information, documents, records, copies of the foregoing, any UNFI credit cards, laptops, printers, copiers, phones, keys, access cards, and any other such property in his possession. Stigers also acknowledges and agrees that to the best of his knowledge, he has deleted all information and material of UNFI from his personal electronic devices and accounts, including, but not limited to, all UNFI email information from his cellular phone, and all UNFI information from his personal laptop. Stigers acknowledges that this obligation is continuing and agrees to promptly return to UNFI (and delete) any subsequently discovered property to UNFI.

8. **Cooperation.** Stigers understands there are or may be legal actions brought by or against UNFI which involve situations or circumstances in which he participated in or is knowledgeable about in his role as a UNFI employee. Stigers agrees he will cooperate with UNFI in UNFI's prosecution or defense of any such matters. UNFI agrees that it will reimburse Stigers for approved out-of-pocket expenses associated with his participation in UNFI's prosecution or defense of any such matters, provided he submits proof of legitimate expenses.

9. **Non-solicitation and Non-assistance.** Stigers agrees that he will not solicit any claim against UNFI, and that he will not assist or consult with any individual or entity in connection with an existing or potential claim against UNFI. The parties acknowledge that this provision shall not preclude Stigers from complying with a subpoena or other order from a court of competent jurisdiction. Stigers further agrees to notify UNFI if he receives such a subpoena or order.

4

---

10. **Tax Treatment and Indemnification.** Stigers is and shall be responsible for any additional federal, state, and local taxes that may be owed by him by virtue of the receipt of the Payment provided under this Agreement. UNFI shall have no other responsibility or liability for payment or withholding of income taxes or other tax-related obligations. Stigers agrees to inform UNFI immediately should any governmental agency challenge or question the nature of the Payment or its tax treatment. Stigers further agrees to indemnify UNFI and hold it harmless from any taxes, penalties, or interest that may be incurred by UNFI as a result of the characterization of the Payment as described in Paragraph 1(a) above.

11. **Non-Admission.** UNFI expressly denies any and all liability or wrongdoing. The parties agree that nothing in this Agreement shall be deemed to represent any concession or admission of such liability or wrongdoing or as a waiver of any defense.

12. **Mediated Settlement Agreement.** Pursuant to Minn. Stat. § 572.35, the parties acknowledge that this Agreement is binding and that they were advised in writing that: (a) the mediator has no duty to protect their interests or provide them with information about their legal rights; (b) signing a mediated settlement agreement may adversely affect their legal rights; and (c) they should consult an attorney before signing a mediated settlement agreement if they are uncertain about their rights.

13. **Invalidity.** In case any one or more of the provisions of the Agreement shall be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions in the Agreement will not in any way be affected or impaired thereby.

14. **Assignment.** The parties agree that the rights and obligations under the Agreement shall inure to and be binding upon UNFI and its successors and assigns, but the rights and obligations of Stigers pursuant to the Agreement are personal and may not be assigned to any other person or entity.

15. **Counterparts.** The Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. This includes electronic copies of signatures. The Agreement shall be deemed effective when the last individual has signed the Agreement.

16. **Entire Agreement.** The terms of this Agreement and the Release attached hereto supersede and terminate any and all prior oral and/or written agreements and communications between the parties, with the exception of any noncompetition, nonsolicitation provisions, or confidentiality

provisions which remain in full force and effect, to the extent its terms are not contradicted by this Agreement. The parties agree that this Agreement and the attached Release contain all of the agreements between them, and that they have no other written or oral agreements.

17. **Voluntary and Knowing Action.** The parties acknowledge that they have had sufficient opportunity to review their claims and the Agreement and that they have read and understand the terms of the Agreement. Stigers acknowledges that UNFI has informed him of his right to obtain counsel to review this Agreement and recommended that he consult with counsel, that he has in fact consulted with counsel of his choice regarding this Agreement, and that he has

5

---

voluntarily and knowingly entered into the Agreement to resolve any and all claims, demands, charges or causes of action which he now has or may have with respect to UNFI.

18. **Governing Law and Venue.** This Agreement will be construed and interpreted in accordance with applicable federal laws and the laws of the State of Minnesota. The parties further agree that all disputes shall be resolved exclusively in state or federal court in Minnesota, and that such courts are convenient forum.

Dated: February 29, 2024 /s/ Michael Stigers  
, 2024  
MICHAEL STIGERS

UNITED NATURAL FOODS, INC.

Dated: 03/01/24 /s/ J. Alexander Miller Douglas  
, 2024 By:  
Its: Chief Executive Officer

6

---

**EXHIBIT A**  
**RELEASE**

I. **Definitions.** I intend all words used in this Release to have their plain meanings in ordinary English. Technical legal words are not needed to describe what I mean. Specific terms that I use in this Release have the following meanings:

A. "I," "me," and "my" include both me, Michael Stigers, and anyone who has or obtains any legal rights or claims through me.

B. "UNFI," as used herein, shall at all times mean United Natural Foods, Inc., and its current or former operating entities, owners, officials, directors, officers, employees, shareholders, affiliates, agents, employee benefit plans and plan administrators and fiduciaries, representatives, attorneys, insurers, subsidiaries, parents, divisions, branches, units, successors, predecessors and assigns.

C. "Release" means this Release Agreement.

D. "My Claims" means all of the claims of any kind whatsoever I have now against UNFI, regardless of whether I now know about those claims, including, but not limited to, claims for payment of wages or other compensation; invasion of privacy; breach of contract; fraud or misrepresentation; violation of the Minnesota Human Rights Act ("MHRA"), Minnesota Whistleblower Statute, Title VII of the Civil Rights Act of 1964, the Fair Labor Standards Act, the Age Discrimination in Employment Act ("ADEA"), the Consolidated Omnibus Budget Reconciliation Act, the Americans With Disabilities Act, the National Labor Relations Act, the Employee Retirement Income Security Act, the Family and Medical Leave Act, the Equal Pay Act, the Genetic Information Nondiscrimination Act, the Minnesota Payment of Wages Act, the California Labor Code including California Labor Code Section 1198.5, the California Fair Employment and Housing Act, all as amended, or any other federal, state or local laws, rules, regulations, ordinances or orders, including, but not limited to, those civil rights laws based on protected class status, retaliation, reprisal, interference, failure to accommodate, failure to engage in a legally-required interactive process, failure to provide leave or protected time off, negligent hiring or retention, assault, battery, whistleblowing, defamation, false imprisonment, intentional or negligent infliction of emotional distress, breach of the covenant of good faith and fair dealing, promissory estoppel, negligence, misrepresentation or fraud, and all other claims for unlawful employment practices, breach of contract, and all other common law or statutory claims.

E. "Settlement Agreement" means this Agreement excluding "Exhibit A Release."

## II. **Agreement to Release My Claims**

I am receiving consideration from UNFI to which I am not otherwise entitled by law, contract, or under any policy of UNFI. I agree to give up, release and dismiss all My Claims against UNFI in exchange for that consideration. I will waive all of My Claims, and will

---

not bring any lawsuit, enforce any judgments, file any charges, complaints or notices, or make any other demands against UNFI based on My Claims, except for any action to enforce this Agreement.

UNFI and I agree that this Release will not preclude me from bringing a charge of discrimination before the Equal Employment Opportunity Commission or Minnesota Department of Human Rights. In the event such a charge is brought, however, I agree that I have released any right to receive compensation as a result of the charge, and in the event that I am awarded any such compensation, I agree to return it to UNFI.

The consideration I am receiving is a full payment for the release of all My Claims. UNFI does not owe me anything in addition to what I will be receiving.

## III. **California Civil Code Section 1542.** Employee is releasing all rights under section 1542 of the California Civil Code, which provides:

**A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY**

Thus, Employee expressly acknowledges that this release includes, without limitation, any claims and causes of action which Employee does not know of or suspect in Employee's favor at the time of execution of this Agreement, and that this Agreement contemplates full and final extinguishment of all such claims and causes of action.

## IV. **Period to Consider the Release.** I understand that I have twenty-one (21) days from the day that I receive the Agreement (including this Release), not counting the day upon which I receive it, to consider whether I wish to sign this Release. If I sign this Release before the end of

the 21-day period, it will be my voluntary decision to do so because I have decided that I do not need any additional time to decide whether to sign this Release.

**V. My Right to Rescind this Release.** I understand and acknowledge that, after I sign this Release, I may rescind the release of my claims under the Age Discrimination in Employment Act ("ADEA") and Minnesota Human Rights Act ("MHRA"). I have seven (7) days after I sign this Agreement, not counting the day upon which I sign it (the "ADEA Rescission Period"), to rescind my release of claims under the ADEA. My release of my ADEA claims will not become effective or enforceable unless and until the 7-day ADEA Rescission Period has expired without my rescinding the release of those claims. I have fifteen (15) days after I sign this Agreement, not counting the day upon which I sign it (the "MHRA Rescission Period"), to rescind my release of any claims under the MHRA. The ADEA and MHRA Rescission Periods run concurrently. My release of any unasserted MHRA claims will not become effective or enforceable unless and until the 15-day MHRA Rescission Period has expired without my rescinding the release of those claims.

2

---

My release of all other claims shall be immediately effective and enforceable upon my execution of this Agreement and may not be rescinded.

**VI. Procedure for Rescinding the Release.** To rescind the release of my ADEA and/or unasserted MHRA claims, I must deliver a written, signed statement that I rescind my acceptance to UNFI's counsel by hand or by mail within the 7-day ADEA Rescission Period and/or the 15-day MHRA Rescission Period. All deliveries must be made to UNFI's counsel at the following address:

Nilan Johnson Lewis PA  
ATTN: Joseph Schmitt  
250 Marquette Avenue South, Suite 800  
Minneapolis, MN 55401

If I choose to deliver my acceptance or the rescission of the release of my ADEA and/or MHRA claims by mail, it must be:

- (1) postmarked within the period stated above; and
- (2) properly addressed to UNFI's counsel at the address stated above.

**VII. Effect of Rescission.** I understand that, in the event I exercise my right of rescission under either the ADEA or the MHRA, I will not be entitled to the Payment identified in Paragraph 1 of the Settlement Agreement and, instead, will be entitled to payment of One Thousand Dollars (\$1,000), less applicable withholdings.

**VIII. Interpretation of the Release.** This Release should be interpreted as broadly as possible to achieve my intention to waive all of My Claims against UNFI. If this Release is held by a court to be inadequate to release a particular claim encompassed within My Claims, this Release will remain in full force and effect with respect to the rest of My Claims.

**IX. Additional Agreements and Understandings.** Even though UNFI is providing consideration for me to release My Claims, I acknowledge that UNFI denies that it is responsible or legally obligated to me for My Claims, denies that it engaged in any unlawful or improper conduct toward me.

**X. Voluntary and Knowing Release.** I understand and acknowledge that I am hereby being advised by UNFI to consult with an attorney prior to signing the Agreement (including this Release). My decision whether to sign this Release is my own voluntary decision made with full knowledge that UNFI has advised me to consult with an attorney, and I have consulted with my attorneys at the law firm of Schaefer Halleen before signing this Release. I have read the Release carefully. I understand all of its terms. In signing the Release, I have not relied on any statements or explanations made by UNFI except as specifically set forth in the Release and the corresponding Agreement. I am voluntarily releasing My Claims against UNFI. I intend my Release to be legally binding.

2/29/2024  
Dated:

/s/ Michael Stigers

Michael Stigers

### INDEMNIFICATION AGREEMENT

This Indemnification Agreement, dated as of \_\_\_\_\_ (this "Agreement"), is made by and between United Natural Foods, Inc., a Delaware corporation (the "Company"), and [NAME] ("Indemnitee").

#### RECITALS

- A. In light of the responsibilities vested in directors and officers of a Delaware corporation, it is critically important to the Company and its stockholders that the Company be able to attract and retain highly experienced and reputable persons to serve as directors and officers of the Company.
- B. In recognition of the need for corporations to be able to induce capable and responsible persons to accept positions in corporate management, Delaware law authorizes (and in some instances requires) corporations to indemnify their directors and officers, and further authorizes corporations to purchase and maintain insurance for the benefit of their directors and officers.
- C. The Delaware courts have recognized that indemnification by a corporation serves the dual policies of (1) allowing corporate officials to resist unjustified lawsuits, and (2) encouraging capable women and men to serve as corporate directors and officers.
- D. Indemnitee is, or will be, a director or officer of the Company, a Controlled Affiliate, and/or a Subsidiary and his or her willingness to serve in such capacity is predicated, in substantial part, upon the Company's willingness to indemnify him or her in accordance with the principles reflected above, to the fullest extent permitted by the laws of the State of Delaware, and upon the other undertakings set forth in this Agreement.
- E. Therefore, in recognition of the need to provide Indemnitee with substantial protection against personal liability, in order to procure Indemnitee's service or continued service as a director or officer of the Company, a Controlled Affiliate, and/or a Subsidiary and to enhance Indemnitee's ability to serve the Company, a Controlled Affiliate, and/or a Subsidiary in an effective manner, and in order to provide such protection pursuant to express contract rights (intended to be enforceable irrespective of, among other things, any amendment to the Company's certificate of incorporation or bylaws (collectively, the "Constituent Documents"), any change in the composition of the Company's Board of Directors (the "Board") or any change-in-control or business combination transaction relating to the Company), the Company wishes to provide in this Agreement for the indemnification of and the advancement of Expenses to Indemnitee as set forth in this Agreement and for the continued coverage of Indemnitee under the Company's directors' and officers' liability insurance policies.
- F. In light of the considerations referred to in the preceding recitals, it is the Company's intention and desire that this Agreement not diminish or abrogate any other rights Indemnitee may have under the Constituent Documents, or the substantive laws of the State of Delaware, any other contract or otherwise (collectively, "Other Indemnity")

**Provisions")** or the Company's directors' and officers' liability insurance policies, and that the provisions of this Agreement be construed liberally, subject to their express terms, in order to maximize the protections to be provided to Indemnitee hereunder.

## AGREEMENT

NOW, THEREFORE, the parties hereby agree as follows:

**1. Certain Definitions.** In addition to terms defined elsewhere herein, the following terms have the following meanings when used in this Agreement with initial capital letters:

(a) **"Change in Control"** means the occurrence of one or more of the following events:

- (i) any "person", including a "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act, but excluding the Company, any of its Controlled Affiliates, or any employee benefit plan of the Company or any of its Controlled Affiliates) is or becomes the "beneficial owner" (as defined in Rule 13(d)(3) under the Exchange Act), directly or indirectly, of securities of the Company representing 30% or more of the combined voting power of the Company's then outstanding securities;
- (ii) the stockholders of the Company shall approve a definitive agreement (1) for the merger or other business combination of the Company with or into another corporation if (A) a majority of the directors of the surviving corporation were not directors of the Company immediately prior to the effective date of such merger or (B) the stockholders of the Company immediately prior to the effective date of such merger own less than 60% of the combined voting power in the then outstanding securities in such surviving corporation or (2) for the sale or other disposition of all or substantially all of the assets of the Company; or
- (iii) the purchase of 30% or more of the combined voting power of the Company's then outstanding securities pursuant to any tender or exchange offer made by any "person", including a "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), other than the Company, any of its Controlled Affiliates, or any employee benefit plan of the Company or any of its Controlled Affiliates.

(b) **"Claim"** means (i) any threatened, asserted, pending or completed claim, demand, action, suit or proceeding, whether civil, criminal, administrative, arbitrative, investigative or other, and whether made pursuant to federal, state or other law; and (ii) any inquiry or investigation, whether made, instituted or conducted, by the Company or any other Person, including without limitation any federal, state or other governmental entity, that Indemnitee determines might lead to the institution of any such claim, demand, action, suit or proceeding. For the avoidance of doubt, the Company intends indemnity to be provided hereunder in respect of acts or failure to act prior to, on or after the date hereof.

2

---

(c) **"Controlled Affiliate"** means any corporation, limited liability company, partnership, joint venture, trust or other entity or enterprise, whether or not for profit, that is directly or indirectly controlled by the Company. For purposes of this definition, "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of an entity or enterprise, whether through the ownership of voting securities, through other voting rights, by contract or otherwise; provided that direct or indirect beneficial ownership of capital stock or other interests in an entity or enterprise entitling the holder to cast 15 per cent or more of the total number of votes generally entitled to be cast in the election of directors (or persons performing comparable functions) of such entity or enterprise shall be deemed to constitute control for purposes of this definition.

(d) **"Disinterested Director"** means a director of the Company, a Controlled Affiliate, and/or a Subsidiary who is not and was not a party to the Claim in respect of which indemnification is sought by Indemnitee.

(e) **"Exchange Act"** means the Securities Exchange Act of 1934, as amended from time to time, and the rules, regulations and guidance thereunder. Any reference to a provision in the Exchange Act shall include any successor provision thereto.

- (f) "**Excluded Person**" means (i) the Company, (ii) any of the Company's Subsidiaries, (iii) any Holding Company, (iv) any employee benefit plan of the Company, any of its Subsidiaries or a Holding Company, or (v) any Person organized, appointed or established by the Company, any of its Subsidiaries or a Holding Company for or pursuant to the terms of any plan described in clause (iv).
- (g) "**Expenses**" means attorneys' and experts' fees and expenses and all other costs and expenses (including but not limited to court costs, transcript costs, costs of travel, duplicating and imaging costs, printing and binding costs, telephone charges, facsimile transmission charges, computerized legal research, postage and courier costs, fees and expenses of third-party vendors, and the premium, security for, and other costs associated with any bond (including supersedeas or appeal bonds, injunction bonds, costs bonds, appraisal bonds or their equivalents)) paid or payable in connection with investigating, defending, being a witness in or participating in (including on appeal), or preparing to investigate, defend, be a witness in or participate in (including on appeal), any Claim.
- (h) "**Holding Company**" means an entity that becomes a holding company for the Company, a Controlled Affiliate, and/or a Subsidiary or its businesses as part of any reorganization, merger, consolidation or other transaction, provided that the outstanding shares of common stock of such entity and the combined voting power of the then outstanding Voting Securities of such entity are, immediately after such reorganization, merger, consolidation or other transaction, beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Voting Securities of the Company outstanding immediately prior to such reorganization, merger, consolidation or other transaction in substantially the same proportions as their ownership,

3

---

immediately prior to such reorganization, merger, consolidation or other transaction, of such outstanding Voting Securities of the Company.

- (i) "**Indemnifiable Claim**" means any Claim based upon, arising out of or resulting from (i) any actual, alleged or suspected act or failure to act by Indemnitee in his or her capacity as a director or officer of the Company or, at the request of the Company, as a director, officer, employee, member, manager, fiduciary, trustee or agent of any other corporation, limited liability company, partnership, joint venture, trust or other organization or enterprise, whether or not for profit, as to which Indemnitee is or was serving at the request of the Company, including, but not limited to, Controlled Affiliates and/or Subsidiaries, (ii) any actual, alleged or suspected act or failure to act by Indemnitee in respect of any business, transaction, communication, filing, disclosure or other activity as a director or officer of the Company or, at the request of the Company, as a director, officer, employee, member, manager, trustee, fiduciary or agent of any other entity or enterprise referred to in clause (i) of this sentence, or (iii) Indemnitee's status as a current or former director or officer of the Company or, at the request of the Company, as a current or former director, officer, employee, member, manager, trustee, fiduciary or agent of any other entity or enterprise referred to in clause (i) of this sentence or any actual, alleged or suspected act or failure to act by Indemnitee in connection with any obligation or restriction imposed upon Indemnitee by reason of such status. In addition to any service at the actual request of the Company, for purposes of this Agreement, Indemnitee shall be deemed to be serving or to have served as a director or officer of the Company or, at the request of the Company, as a director, officer, employee, member, manager, agent, trustee or other fiduciary of another entity or enterprise if Indemnitee is or was serving as a director, officer, employee, member, manager, agent, trustee or other fiduciary of such entity or enterprise and (A) such entity or enterprise is or at the time of such service was a Controlled Affiliate, (B) such entity or enterprise is or at the time of such service was an employee benefit plan (or related trust) sponsored or maintained by the Company or a Controlled Affiliate, or (C) the Company or a Controlled Affiliate (by action of the Board, any committee thereof or the Company's Chief Executive Officer (other than as the Chief Executive Officer himself or herself) caused or authorized Indemnitee to be nominated, elected, appointed, designated, employed, engaged or selected to serve in such capacity.
- (j) "**Indemnifiable Losses**" means any and all Losses relating to, arising out of or resulting from any Indemnifiable Claim; provided, however, that Indemnifiable Losses shall not include Losses incurred by Indemnitee in respect of any Indemnifiable Claim (or any matter or issue therein) as to which Indemnitee shall have been adjudged liable to the Company, a Controlled Affiliate, and/or a Subsidiary, unless and only to the extent that the Delaware Court of Chancery or the court in which such Indemnifiable Claim was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnification for such Expenses as the court shall deem proper.

---

(k) ***"Indemnification Eligibility Requirement"*** means that, in accordance with Section 145(a) or (b) of the Delaware General Corporation Law, the Indemnitee shall not be eligible for indemnification against Indemnifiable Losses relating to, arising out of or resulting from an Indemnifiable Claim, unless (i) the Indemnitee has acted in good faith and with a reasonable belief that his or her action was in or not opposed to the best interests of the Company and, with respect to any criminal action or proceeding, that Indemnitee had no reasonable cause to believe that his or her conduct was unlawful, or (ii) the Indemnitee meets any other applicable standard of conduct that may hereafter be substituted under Section 145(a) or (b) of the Delaware General Corporation Law or any successor to such provision(s).

(l) ***"Independent Counsel"*** means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent: (i) the Company (or any Subsidiary of the Company) or Indemnitee in any matter material to either such party (other than with respect to matters concerning the Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements) or (ii) any other named (or, as to a threatened matter, reasonably likely to be named) party to the Indemnifiable Claim giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement.

(m) ***"Losses"*** means any and all Expenses, damages, losses, liabilities, judgments, fines, penalties (whether civil, criminal or other) and amounts paid or payable in settlement, including without limitation all interest, assessments and other charges paid or payable in connection with or in respect of any of the foregoing.

(n) ***"Person"*** means any individual or entity, including any two or more Persons deemed to be one "person" as used in Sections 13(d)(3) and 14(d)(2) of the Exchange Act.

(o) ***"Subsidiary"*** means an entity of which the Company directly or indirectly holds all or a majority of the value of the outstanding equity interests of such entity or a majority of the voting power with respect to the Voting Securities of such entity.

(p) ***"Voting Securities"*** means securities of a Person entitling the holder thereof to vote in the election of the members of the board of directors of such person or such governing body of such Person performing a similar principal governing function with respect to such Person.

2. **Indemnification Obligation.** Subject to Section 7 and to the proviso in this Section, the Company shall indemnify, defend and hold harmless Indemnitee, to the fullest extent permitted or required by the laws of the State of Delaware in effect on the date hereof or as such laws may from time to time hereafter be amended to increase the scope of such permitted indemnification, against any and all Indemnifiable Claims and Indemnifiable

Losses; provided, however, that, (i) except as provided in Sections 4 and 21 or in connection with such Indemnitee's rights with respect to a Change in Control, Indemnitee shall not be entitled to indemnification pursuant to this Agreement in connection with any Claim initiated by Indemnitee against the Company, a Controlled Affiliate, and/or a Subsidiary or any director or officer of the Company, a Controlled Affiliate, and/or a Subsidiary unless the Company has joined in or authorized the proceeding in connection with such Claim; and (ii) Indemnitee shall not be entitled to indemnification pursuant to this Agreement on any Claim determined by final judgment or other final adjudication to be a violation of federal or state securities laws if such indemnification is by final judgment or other final adjudication determined to be not permitted under then-applicable law; and, provided further, that the Company shall not be obligated to (x) indemnify Indemnitee for the disgorgement of profits arising from the purchase or sale of securities of the Company in violation of Section 16(b) of the Exchange Act, and (y) indemnify or advance funds to Indemnitee for Indemnitee's reimbursement to the Company of any bonus or incentive-based or equity-based compensation previously received by Indemnitee or payment of any profits realized by Indemnitee from the sale of securities of the Company, as required in each case under the Exchange Act (including but not limited to any such reimbursement under Section 304 of the Sarbanes-Oxley Act of 2002 or Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act in connection with an accounting restatement of the Company or the payment of the Company of profits arising from the purchase or sale by Indemnitee of securities in violation of Section 306 of the Sarbanes-Oxley Act); or the recoupment of compensation under the Company's Recoupment Policy for Performance-Based Compensation as may be amended from time to time hereafter. The Company acknowledges that the foregoing obligation may be substantially broader than that now provided by applicable law and the Company's Constituent Documents and intends that it be interpreted consistently with this Section and the recitals to this Agreement.

**3. Advancement of Expenses.** Indemnitee shall have the right to advancement by the Company prior to the final disposition of any Indemnifiable Claim of any and all Expenses relating to, arising out of or resulting from any Indemnifiable Claim paid or incurred by Indemnitee or which Indemnitee determines in good faith are reasonably likely to be paid or incurred by Indemnitee and as to which Indemnitee's counsel provides supporting documentation. Without limiting the generality or effect of any other provision hereof, Indemnitee's right to such advancement is not subject to the satisfaction of any Indemnification Eligibility Requirement. Without limiting the generality or effect of the foregoing, within five business days after any request by Indemnitee that is accompanied by supporting documentation for specific Expenses to be reimbursed or advanced, the Company shall, in accordance with such request (but without duplication), (a) pay such Expenses on behalf of Indemnitee, (b) advance to Indemnitee funds in an amount sufficient to pay such Expenses, or (c) reimburse Indemnitee for such Expenses; provided that Indemnitee shall repay, without interest any amounts actually advanced to Indemnitee that, at the final disposition of the Indemnifiable Claim to which the advance related, were in excess of amounts paid or payable by Indemnitee in respect of Expenses relating to, arising out of or resulting from such Indemnifiable Claim. Indemnitee hereby undertakes to repay such amounts paid, advanced, or reimbursed by the Company in respect of Expenses relating to, arising out of or resulting from any Indemnifiable Claim in respect of which it

---

shall have been determined, following the final disposition of such Indemnifiable Claim and in accordance with Section 7, that Indemnitee is not entitled to indemnification hereunder, and no additional form of undertaking with respect to such obligation to repay shall be required. Indemnitee's undertaking to repay any Expenses advanced to the Indemnitee hereunder shall be unsecured and shall not be subject to the accrual or payment of any interest thereon.

**4. Indemnification for Additional Expenses.** Without limiting the generality or effect of the foregoing, the Company shall indemnify and hold harmless Indemnitee against and, if requested by Indemnitee, shall reimburse Indemnitee for, or advance to Indemnitee, within five business days of such request accompanied by supporting documentation for specific Expenses to be reimbursed or advanced, any and all Expenses paid or incurred by Indemnitee or which Indemnitee determines in good faith are reasonably likely to be paid or incurred by Indemnitee in connection with any Claim made, instituted or conducted by Indemnitee for (a) indemnification or reimbursement or advance payment of Expenses by the Company under any provision of this Agreement, or under any other agreement or provision of the Constituent Documents now or hereafter in effect relating to Indemnifiable Claims, and/or (b) recovery under any directors' and officers' liability insurance policies maintained by the Company, regardless in each case of whether Indemnitee ultimately is determined to be entitled to such indemnification, reimbursement, advance or insurance recovery, as the case may be; provided, however, that Indemnitee shall return, without interest, any such advance of Expenses (or portion thereof) which remains unspent at the final disposition of the Claim to which the advance related.

**5. Partial Indemnity.** If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of any Indemnifiable Loss but not for all of the total amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled.

**6. Procedure for Notification.** To obtain indemnification under this Agreement in respect of an Indemnifiable Claim or Indemnifiable Loss, Indemnitee shall submit to the Company a written request therefor, including a brief description (based upon information then available to Indemnitee) of such Indemnifiable Claim or Indemnifiable Loss. If, at the time of the receipt of such request, the Company has directors' and officers' liability insurance in effect under which coverage for such Indemnifiable Claim or Indemnifiable Loss is potentially available, the Company shall give prompt written notice of such Indemnifiable Claim or Indemnifiable Loss to the applicable insurers in accordance with the procedures set forth in the applicable policies. The Company shall provide to Indemnitee a copy of such notice delivered to the applicable insurers and, upon Indemnitee's request, copies of all subsequent correspondence between the Company and such insurers regarding the Indemnifiable Claim or Indemnifiable Loss, in each case substantially concurrently with the delivery thereof by the Company. The failure by Indemnitee to timely notify the Company of any Indemnifiable Claim or Indemnifiable Loss shall not relieve the Company from any liability hereunder unless, and only to the extent that, the Company did not otherwise learn of such Indemnifiable Claim or Indemnifiable Loss and such failure results in forfeiture by the Company of substantial defenses, rights or insurance coverage.

## **7. Determination of Right to Indemnification.**

- (a) To the extent that Indemnitee shall have been successful on the merits or otherwise in defense of any Indemnifiable Claim or any portion thereof or in defense of any issue or matter therein, including without limitation dismissal without prejudice, Indemnitee shall be indemnified against all Indemnifiable Losses relating to, arising out of or resulting from such Indemnifiable Claim in accordance with Section 2 and no Indemnification Eligibility Requirement Determination (as defined in Section 7(b)) shall be required.
- (b) To the extent that the provisions of Section 7(a) are inapplicable to an Indemnifiable Claim that shall have been finally disposed of, any determination of whether Indemnitee has satisfied the applicable Indemnification Eligibility Requirement (an "**Indemnification Eligibility Requirement Determination**") shall be made as follows: (i) if a Change in Control shall not have occurred, or if a Change in Control shall have occurred but Indemnitee shall have requested that the Indemnification Eligibility Requirement Determination be made pursuant to this clause (i), (A) by a majority vote of the Disinterested Directors, even if less than a quorum of the Board, (B) if such Disinterested Directors so direct, by a majority vote of a committee of Disinterested Directors designated by a majority vote of all Disinterested Directors, even if less than a quorum or (C) if there are no such Disinterested Directors, or if a majority of the Disinterested Directors so direct, by Independent Counsel in a written opinion addressed to the Board, a copy of which shall be delivered to Indemnitee; and (ii) if a Change in Control shall have occurred and Indemnitee shall not have requested that the Indemnification Eligibility Requirement Determination be made pursuant to clause (i), by Independent Counsel in a written opinion addressed to the Board, a copy of which shall be delivered to Indemnitee. Indemnitee shall cooperate with reasonable requests of the individual or firm making such Indemnification Eligibility Requirement Determination, including providing to such Person documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination without incurring any unreimbursed cost in connection therewith. The Company shall indemnify and hold harmless Indemnitee against and, if requested by Indemnitee, shall reimburse Indemnitee for, or advance to Indemnitee, within five business days of such request accompanied by supporting documentation for specific costs and expenses to be reimbursed or advanced, any and all costs and expenses (including attorneys' and experts' fees and expenses) incurred by Indemnitee in so cooperating with the Person making such Indemnification Eligibility Requirement Determination.
- (c) The Company shall use its reasonable efforts to cause any Indemnification Eligibility Requirement Determination required under Section 7(b) to be made as promptly as practicable. If (i) the Person empowered or selected under Section 7 to make the Indemnification Eligibility Requirement Determination shall not have made a determination within 30 calendar days after the later of (A) receipt by the Company of written notice from Indemnitee advising the Company of the final

disposition of the applicable Indemnifiable Claim (the date of such receipt being the "**Notification Date**") and (B) the final selection of an Independent Counsel, if the Indemnification Eligibility Requirement Determination is to be made by Independent Counsel, in accordance with Section 7(b), and (ii) Indemnitee shall have fulfilled his or her obligations set forth in the second sentence of Section 7(b), then Indemnitee shall be deemed to have satisfied the applicable Indemnification Eligibility Requirement; provided that such 30-day period may be extended for a reasonable time, not to exceed an additional 30 calendar days, if the Person making such determination in good faith requires such additional time for the obtaining or evaluation of documentation and/or information relating thereto.

- (d) If (i) Indemnitee shall be entitled to indemnification hereunder against any Indemnifiable Losses pursuant to Section 7(a), (ii) no determination of whether Indemnitee has satisfied any applicable standard of conduct under Delaware law is a legally required condition precedent to indemnification of Indemnitee hereunder against any Indemnifiable Losses, or (iii) Indemnitee has been determined or deemed pursuant to Section 7(b) or (c) to have satisfied the applicable Indemnification Eligibility Requirement, then the Company shall pay to Indemnitee, within five business days after the later of (x) the Notification Date in respect of the Indemnifiable Claim or portion thereof to which such Indemnifiable Losses are related, out of which such Indemnifiable Losses arose or from which such Indemnifiable Losses resulted and (y) the earliest date on which the applicable criterion specified in clause (i), (ii) or (iii) above shall have been satisfied, an amount equal to the amount of such Indemnifiable Losses. Nothing herein is intended to mean or imply that the Company is intending to use Section 145(f) of the Delaware General Corporation Law to dispense with a requirement that Indemnitee meet the applicable standard of conduct where it is otherwise required by such statute.
- (e) If an Indemnification Eligibility Requirement Determination is to be made by Independent Counsel pursuant to Section 7(b)(i), the Independent Counsel shall be selected in accordance with Section 7(b)(i), and the Company shall give written notice to Indemnitee advising him or her of the identity of the Independent Counsel so selected. If an Indemnification Eligibility Requirement Determination is to be made by Independent Counsel pursuant to Section 7(b)(ii), the Independent Counsel shall be selected in accordance with Section 7(b)(ii), and Indemnitee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected. In either case, Indemnitee or the Company, as applicable, may, within five business days after receiving written notice of selection from the other, deliver to the other a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not satisfy the criteria set forth in the definition of "Independent Counsel" in Section 1(l), and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the Person so selected shall act as Independent Counsel. If such written objection is properly and timely made and substantiated, (i) the Independent Counsel so selected may not serve as Independent Counsel unless and until such

objection is withdrawn or a court has determined that such objection is without merit and (ii) the non-objecting party may, at its option, select an alternative Independent Counsel and give written notice to the other party advising such other party of the identity of the alternative Independent Counsel so selected, in which case the provisions of the two immediately preceding sentences and clause (i) of this sentence shall apply to such subsequent selection and notice. If applicable, the provisions of clause (ii) of the immediately preceding sentence shall apply to successive alternative selections. If no Independent Counsel that is permitted under the foregoing provisions of

this Section 7(e) to make the Indemnification Eligibility Requirement Determination shall have been selected within 30 calendar days after the Company gives its initial notice pursuant to the first sentence of this Section 7(e) or Indemnitee gives its initial notice pursuant to the second sentence of this Section 7(e), as the case may be, either the Company or Indemnitee may petition the Court of Chancery of the State of Delaware for resolution of any objection which shall have been made by the Company or Indemnitee to the other's selection of Independent Counsel and/or for the appointment as Independent Counsel of a person or firm selected by the Court or by such other person as the Court shall designate, and the person or firm with respect to whom all objections are so resolved or the person or firm so appointed will act as Independent Counsel. In all events, the Company shall pay all of the actual and reasonable fees and expenses of the Independent Counsel incurred in connection with the Independent Counsel's determination pursuant to Section 7(b).

8. **Presumption of Entitlement.** Notwithstanding any other provision hereof, in making any Indemnification Eligibility Requirement Determination, the Person making such determination shall presume that Indemnitee has satisfied the applicable Indemnification Eligibility Requirement, and the Company may overcome such presumption only by its adducing clear and convincing evidence to the contrary. Any Indemnification Eligibility Requirement Determination that is adverse to Indemnitee may be challenged by the Indemnitee in the Court of Chancery of the State of Delaware. No determination by the Company (including by its Disinterested Directors, a committee thereof or any Independent Counsel) that Indemnitee has not satisfied any applicable Indemnification Eligibility Requirement shall be a defense to any Claim by Indemnitee for indemnification or reimbursement or advance payment of Expenses by the Company hereunder or create a presumption that Indemnitee has not met any applicable Indemnification Eligibility Requirement.
9. **No Other Presumption.** For purposes of this Agreement, the termination of any Claim by judgment, order, settlement (whether with or without court approval) or conviction, or upon a plea of nolo contendere or its equivalent, will not create a presumption that Indemnitee did not meet any applicable Indemnification Eligibility Requirement or that indemnification hereunder is otherwise not permitted.
10. **Non-Exclusivity.** The rights of Indemnitee hereunder will be in addition to, and shall not diminish or abrogate, any other rights Indemnitee may have under any Other Indemnity Provisions; provided, however, that (a) to the extent that Indemnitee otherwise would have any greater right to indemnification under any Other Indemnity Provision, Indemnitee will

10

---

without further action be deemed to have such greater right hereunder, and (b) to the extent that any change is made to any Other Indemnity Provision which permits any greater right to indemnification than that provided under this Agreement as of the date hereof, Indemnitee will be deemed to have such greater right hereunder. In the event that the Company adopts any amendment to any of the Constituent Documents the effect of which would be to deny, diminish or encumber Indemnitee's right to indemnification under this Agreement or any Other Indemnity Provision, then notwithstanding such amendments, the Indemnitee will without further action be deemed to have the rights to indemnification that existed immediately prior to the adoption of such amendment and such amendments shall not be effective against Indemnitee.

11. **Liability Insurance and Funding.** So long as Indemnitee shall continue to serve the Company as an Indemnifiable Person and thereafter so long as Indemnitee shall be subject to any possible claim or threatened, pending or completed Proceeding as a result of an Indemnifiable Claim, the Company shall use reasonable efforts to maintain in full force and effect for the benefit of Indemnitee as an insured (i) liability insurance issued by one or more reputable insurers and having the policy amount and deductible deemed appropriate by the Board and providing in all respects coverage at least comparable to and in the same amount as that provided to the Chairman of the Board or the Chief Executive Officer of the Company and (ii) any replacement or substitute policies issued by one or more reputable insurers providing in all respects coverage at least comparable to and in the same amount as that being provided to the Chairman of the Board or the Chief Executive Officer of the Company. The purchase, establishment and maintenance of any such insurance or other arrangements shall not in any way limit or affect the rights and obligations of the Company or of Indemnitee under this Agreement except as expressly provided herein, and the execution and delivery of this Agreement by the Company and Indemnitee shall not in any way limit or affect the rights and obligations of the Company or the other party or parties thereto under any such insurance or other arrangement.. Notwithstanding the foregoing, (i) the Company may, but shall not be required to, create a trust fund, grant a security interest or use other means, including without limitation a letter of credit, to ensure the payment of such amounts as may be necessary to satisfy its obligations to indemnify and advance expenses pursuant to this

Agreement and (ii) in renewing or seeking to renew any insurance hereunder, the Company will not be required to expend more than 3.0 times the premium amount of the immediately preceding policy period (equitably adjusted if necessary to reflect differences in policy periods).

12. **Subrogation.** In the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the related rights of recovery of Indemnitee against other Persons (other than Indemnitee's successors), including any entity or enterprise referred to in clause (i) of the definition of "Indemnifiable Claim" in Section 1(i). Indemnitee shall execute all papers reasonably required to evidence such rights (all of Indemnitee's reasonable Expenses, including attorneys' fees and charges, related thereto to be reimbursed by or, at the option of Indemnitee, advanced by the Company).
13. **No Duplication of Payments.** The Company shall not be liable under this Agreement to make any payment to Indemnitee in respect of any Indemnifiable Losses to the extent

11

---

Indemnitee has otherwise already actually received payment (net of Expenses incurred in connection therewith) under any insurance policy, the Constituent Documents and Other Indemnity Provisions or otherwise (including from any entity or enterprise referred to in clause (i) of the definition of "Indemnifiable Claim" in Section 1(i)) in respect of such Indemnifiable Losses otherwise indemnifiable hereunder.

14. **Defense of Claims.** Subject to the provisions of applicable policies of directors' and officers' liability insurance, the Company shall be entitled to participate in the defense of any Indemnifiable Claim or to assume or lead the defense thereof with counsel reasonably satisfactory to the Indemnitee; *provided* that if Indemnitee determines, after consultation with counsel selected by Indemnitee, that (a) the use of counsel chosen by the Company to represent Indemnitee would present such counsel with an actual or potential conflict, (b) the named parties in any such Indemnifiable Claim (including any impleaded parties) include both the Company and Indemnitee and Indemnitee shall conclude that there may be one or more legal defenses available to him or her that are different from or in addition to those available to the Company, (c) any such representation by such counsel would be precluded under the applicable standards of professional conduct then prevailing, or (d) Indemnitee has interests in the claim or underlying subject matter that are different from or in addition to those of other Persons against whom the Claim has been made or might reasonably be expected to be made, then Indemnitee shall be entitled to retain separate counsel (but not more than one law firm plus, if applicable, local counsel in respect of any particular Indemnifiable Claim for all indemnitees in Indemnitee's circumstances) at the Company's expense. The Company shall not be liable to Indemnitee under this Agreement for any amounts paid in settlement of any threatened or pending Indemnifiable Claim effected without the Company's prior written consent. The Company shall not, without the prior written consent of the Indemnitee, effect any settlement of any threatened or pending Indemnifiable Claim which the Indemnitee is or could have been a party unless such settlement solely involves the payment of money and includes a complete and unconditional release of the Indemnitee from all liability on any claims that are the subject matter of such Indemnifiable Claim. Neither the Company nor Indemnitee shall unreasonably withhold its consent to any proposed settlement; provided that Indemnitee may withhold consent to any settlement that does not provide a complete and unconditional release of Indemnitee.
15. **Contribution.** To the fullest extent permitted by law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason, subject to the proviso below, the Company, in lieu of indemnifying Indemnitee, shall contribute to the Indemnifiable Losses in such proportion as is deemed fair and reasonable in light of the circumstances of such Indemnifiable Claim in order to reflect (i) the relative benefits received by the Company and Indemnitee and/or loss suffered by the Indemnitee, as the case may be, as a result of the events or transactions giving rise to such action, suit or other proceeding; (ii) the relative fault of the Company (and its officers, directors, employees and agents) and Indemnitee in connection with such events or transactions; and (iii) any other relevant equitable considerations, including any losses of the Indemnitee, in connection with such events or transactions; provided, that, (x) Indemnitee has met the Indemnification Eligibility Requirement in accordance with Section 7 and (y) (i) except as provided in Sections 4 and 21 or in connection with such Indemnitee's rights with respect to a Change

12

---

in Control, the Indemnifiable Losses are not associated with a Claim initiated by Indemnitee against the Company or any director or officer of the Company unless the Company has joined in or authorized the proceeding in connection with such Claim.

**16. Successors, Binding Agreement and Survival.**

- (a) The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation, reorganization or otherwise) to all or substantially all of the business or assets of the Company expressly to assume and agree to perform this Agreement in the same manner and to the same extent the Company would be required to perform if no such succession had taken place. This Agreement shall be binding upon and inure to the benefit of the Company and any successor to the Company, including without limitation any Person acquiring directly or indirectly all or substantially all of the business or assets of the Company whether by purchase, merger, consolidation, reorganization or otherwise (and such successor will thereafter be deemed the “**Company**” for purposes of this Agreement), but shall not otherwise be assignable or delegable by the Company.
- (b) This Agreement shall inure to the benefit of and be enforceable by the Indemnitee's personal or legal representatives, executors, administrators, heirs, distributees, legatees and other successors.
- (c) This Agreement is personal in nature and neither of the parties hereto shall, without the consent of the other, assign or delegate this Agreement or any rights or obligations hereunder except as expressly provided in Sections 16(a) and 16(b). Without limiting the generality or effect of the foregoing, Indemnitee's right to receive payments hereunder shall not be assignable, whether by pledge, creation of a security interest or otherwise, other than by a transfer by the Indemnitee's will or by the laws of descent and distribution, and, in the event of any attempted assignment or transfer contrary to this Section 16(c), the Company shall have no liability to pay any amount so attempted to be assigned or transferred.
- (d) For the avoidance of doubt, this Agreement shall survive and continue after any termination of Indemnitee's service as a director, officer, employee or agent of the Company or as a director, officer, employee, member, manager, trustee or agent of any Subsidiary or other corporation, limited liability company, partnership, joint venture, trust or other entity or enterprise, whether or not for profit, as to which Indemnitee is or was serving at the request of the Company.
- (e) For employees: This Agreement is not, and shall not be deemed as, an employment agreement between the Company (or any of its Subsidiaries or affiliates) and Indemnitee. Indemnitee specifically acknowledges that any employment with the Company or any of its Subsidiaries is at will and the Indemnitee may be discharged at any time for any reason, with or without cause, except as may be otherwise provided in any written employment agreement between Indemnitee and the Company or its Subsidiary.

13

---

**17. Notices.** For all purposes of this Agreement, all communications, including without limitation notices, consents, requests or approvals, required or permitted to be given hereunder must be in writing and shall be deemed to have been duly given when hand delivered or dispatched as a PDF by electronic transmission (with receipt confirmed), or one business day after having been sent for next-day delivery by a nationally recognized overnight courier service, addressed to the Company (to the attention of the Secretary of the Company) and to Indemnitee at the applicable address shown on the signature page hereto, or to such other address as any party may have furnished to the other in writing and in accordance herewith, except that notices of changes of address will be effective only upon receipt.

**18. Governing Law.** The validity, interpretation, construction and performance of this Agreement shall be governed by and construed in accordance with the substantive laws of the State of Delaware, without giving effect to the principles of conflict of laws of such State. The Company and Indemnitee each hereby irrevocably consent to the jurisdiction of the Chancery Court of the State of Delaware for all purposes in connection with any action or proceeding which arises out of or relates to this Agreement, waive all procedural objections to suit in that jurisdiction, including without limitation objections as to venue or inconvenience, agree that service in any such action may be made by notice given in accordance with Section 17 and also agree that any action instituted under this Agreement shall be brought only in the Chancery Court of the State of Delaware.

**19. Validity.** If any provision of this Agreement or the application of any provision hereof to any Person or circumstance is held invalid, unenforceable or otherwise illegal, the remainder of this Agreement and the application of such provision to any other Person or circumstance shall not be affected, and the provision so held to be invalid, unenforceable or otherwise illegal shall be reformed to the extent, and only to the extent, necessary to make it enforceable, valid or legal. In the event that any court or other adjudicative body shall decline to reform any provision of this Agreement held to be invalid, unenforceable or otherwise illegal as contemplated by the immediately preceding sentence, the parties thereto shall take all such action as may be necessary or appropriate to replace the provision so held to be invalid, unenforceable or otherwise illegal with one or more alternative provisions that effectuate the purpose and intent of the original provisions of this Agreement as fully as possible without being invalid, unenforceable or otherwise illegal.

**20. Miscellaneous.** No provision of this Agreement may be waived, modified or discharged unless such waiver, modification or discharge is agreed to in writing signed by Indemnitee and the Company. No waiver by either party hereto at any time of any breach by the other party hereto or compliance with any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, expressed or implied with respect to the subject matter hereof have been made by either party that are not set forth expressly in this Agreement.

**21. Legal Fees and Expenses.** It is the intent of the Company that Indemnitee not be required to incur legal fees and or other Expenses associated with the interpretation, enforcement or defense of Indemnitee's rights under this Agreement by litigation or otherwise because the

14

---

cost and expense thereof would substantially detract from the benefits intended to be extended to Indemnitee hereunder. Accordingly, without limiting the generality or effect of any other provision hereof, if it should reasonably appear to Indemnitee that the Company has failed to comply with any of its obligations under this Agreement or in the event that the Company or any other Person takes or threatens to take any action to declare this Agreement void or unenforceable, or institutes any litigation or other action or proceeding designed to improperly deny, or to improperly recover from, Indemnitee the benefits provided or intended to be provided to Indemnitee hereunder, the Company irrevocably authorizes the Indemnitee from time to time to retain counsel of Indemnitee's choice (so long as such counsel is not then serving as counsel to the Company or any of its Subsidiaries), at the expense of the Company as hereafter provided, to advise and represent Indemnitee in connection with any such interpretation, enforcement or defense, including without limitation the initiation or defense of any litigation or other legal action, whether by or against the Company or any director, officer, stockholder or other Person affiliated with the Company, in any jurisdiction. Without limiting the generality or effect of any other provision hereof or respect to whether Indemnitee prevails, in whole or in part, in connection with any of the foregoing, the Company will pay and be solely financially responsible for any and all attorneys' and related fees and expenses actually and reasonably incurred by Indemnitee in connection with any of the foregoing.

**22. Certain Interpretive Matters.** Unless the context of this Agreement otherwise requires, (1) "it" or "its" or words of any gender include each other gender, (2) words using the singular or plural number also include the plural or singular number, respectively, (3) the terms "hereof," "herein," "hereby" and derivative or similar words refer to this entire Agreement, (4) the terms "Article," "Section," "Annex" or "Exhibit" refer to the specified Article, Section, Annex or Exhibit of or to this Agreement, (5) the terms "include," "includes" and "including" will be deemed to be followed by the words "without limitation" (whether or not so expressed), and (6) the word "or" is disjunctive but not exclusive. Whenever this Agreement refers to a number of days, such number will refer to calendar days unless business days are specified and whenever action must be taken (including the giving of notice or the delivery of documents) under this Agreement during a certain period of time or by a particular date

that ends or occurs on a non-business day, then such period or date will be extended until the immediately following business day. As used herein, "business day" means any day other than Saturday, Sunday or a United States federal holiday.

23. **Entire Agreement.** This Agreement and the Constituent Documents constitute the entire agreement, and supersede all prior agreements and understandings, both written and oral, between the parties hereto with respect to the subject matter of this Agreement. Any prior agreements or understandings between the parties hereto with respect to indemnification are hereby terminated and of no further force or effect.
24. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original but all of which together shall constitute one and the same agreement.

[SIGNATURE PAGE FOLLOWS]

15

---

IN WITNESS WHEREOF, Indemnitee has executed and the Company has caused its duly authorized representative to execute this Agreement as of the date first above written.

**UNITED NATURAL FOODS, INC.**

By:

Name:  
Title:

By:

Name:  
Title:

**INDEMNITEE**

[NAME]

16

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;
  - (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.

December 31, 2023

/s/ J. ALEXANDER MILLER DOUGLAS  
 J. Alexander Miller Douglas  
 Chief Executive Officer

Simeon Kohl Chief Executive Officer {graphic omitted} {graphic omitted} >

an>

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):

- (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.

December March 6, 2023 2024

/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 **October 28, 2023** **January 27, 2024**, 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

December March 6, 2023 2024

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 **October 28, 2023** **January 27, 2024**, 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

**December** **March** **6, 2023** **2024**

#### DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A COMPARISON OF TWO FINANCIALS PERIODIC REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2024, Refinitiv. All rights reserved. Patents Pending.