

REFINITIV

DELTA REPORT

10-Q

USFD - US FOODS HOLDING CORP.

10-Q - MARCH 30, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS 1815

| | | |
|---------------------------------------|-----------|------|
| █ | CHANGES | 343 |
| █ | DELETIONS | 456 |
| █ | ADDITIONS | 1016 |

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

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

For the quarterly period ended **September 30, 2023** **March 30, 2024**

OR

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

Commission File No. 001-37786



US FOODS HOLDING CORP.

(Exact name of registrant as specified in its charter)

Delaware

26-0347906

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification Number)

9399 W. Higgins Road, Suite 100
Rosemont, IL 60018
(847) 720-8000

(Address, including Zip Code, and telephone number, including area code, of registrant's principal executive offices)

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

| Title of each class | Trading symbol(s) | Name of each exchange on which registered |
|--|-------------------|---|
| Common Stock, par value \$0.01 per share | USFD | 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 (§232.405 of this chapter) 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, 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

245,851,550 **245,866,992** shares of the registrant's common stock were outstanding as of **November 3, 2023** **May 3, 2024**.

Forward-Looking Statements

Statements in this Quarterly Report on Form 10-Q (this "Quarterly Report") which are not historical in nature are "forward-looking statements" within the meaning of the federal securities laws. These statements often include words such as "believe," "expect," "project," "anticipate," "intend," "plan," "outlook," "estimate," "target," "seek," "will," "may," "would," "should," "could," "forecast," "mission," "strive," "more," "goal," or similar expressions (although not all forward-looking statements may contain such words) and are based upon various assumptions and our experience in the industry, as well as historical trends, current conditions, and expected future developments. However, you should understand that these statements are not guarantees of performance or results, and there are a number of risks, uncertainties and other important factors that could cause our actual results to differ materially from those expressed in the forward-looking statements, including, among others:

- economic factors affecting consumer confidence and discretionary spending and reducing the consumption of food prepared away from home;
- cost inflation/deflation, rising interest rates and volatile commodity costs;
- competition;
- reliance on third-party suppliers and interruption of product supply or increases in product costs;
- changes in our relationships with customers and group purchasing organizations;
- our ability to increase or maintain the highest margin portions of our business;
- achievement of expected benefits from cost savings initiatives;
- fluctuations in fuel costs;
- changes in consumer eating habits;
- cost and pricing structures;
- the impact of climate change or measures implemented to address climate change;
- impairment charges for goodwill, indefinite-lived intangible assets or other long-lived assets;
- changes to or failure to comply with applicable governmental regulations;
- product recalls and product liability claims;
- our reputation in the industry;
- labor relations and increased labor costs and continued access to qualified and diverse labor;
- our level of indebtedness and restrictions under agreements governing our indebtedness;
- interest rate increases;
- our replacement of London Interbank Offered Rate ("LIBOR") with an alternative reference rate, the Secured Overnight Financing Rate ("SOFR"), and the relative immaturity of the SOFR standard;
- disruption of existing technologies and implementation of new technologies;
- cybersecurity incidents and other technology disruptions;
- risks associated with intellectual property, including potential infringement;
- effective integration of acquired businesses;
- the impact of activist shareholders;
- changes in tax laws and regulations and resolution of tax disputes;
- limitations related to our governing documents;
- risks to the health and safety of our associates and others;
- adverse judgments or settlements resulting from litigation;
- extreme weather conditions, natural disasters and other catastrophic events, including pandemics and the rapid spread of contagious illnesses; and
- management of retirement benefits and pension obligations.

For a detailed discussion of these and other risks, uncertainties and factors, see Part I, Item 1A— "Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended **December 31, 2022** December 30, 2023 (the **"2022" "2023 Annual Report"**).

In light of these risks, uncertainties and other important factors, the forward-looking statements in this Quarterly Report might not prove to be accurate, and you should not place undue reliance on them. All forward-looking statements attributable to us, or others acting on our behalf, are expressly qualified in their entirety by the cautionary statements above and contained elsewhere in this Quarterly Report. All of these statements speak only as of the date made, and we undertake no obligation to publicly update or revise any forward-looking statements, whether because of new information, future events or otherwise, except as required by law.

Comparisons of results between current and prior periods are not intended to express any future trends, or indications of future performance, unless expressed as such, and should be viewed only as historical data.

TABLE OF CONTENTS

| | Page No. |
|---|-------------|
| Part I. Financial Information | |
| Item 1. Financial Statements (Unaudited) | |
| Consolidated Balance Sheets as of September 30, 2023 March 30, 2024 and December 31, 2022 December 30, 2023 | 1 |
| Consolidated Statements of Comprehensive Income for the 13 weeks ended March 30, 2024 and 39 weeks ended September 30, 2023 and October 1, 2022 | 2 |
| Consolidated Statements of Shareholders' Equity for the 13 weeks and 39 weeks ended September 30, 2023 and October 1, 2022 | 3 |
| Consolidated Statements of Cash Flows for the 13 weeks ended September 30, 2023 and March 30, 2024 and April 1, 2022 | 4 |
| Notes to Consolidated Financial Statements | 5 |
| Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations | 19 |
| Item 3. Quantitative and Qualitative Disclosures About Market Risk | 29 |
| Item 4. Controls and Procedures | 29 |
| Part II. Other Information | |
| Item 1. Legal Proceedings | 31 |
| Item 1A. Risk Factors | 31 |
| Item 2. Unregistered Sales of Equity Securities and Use of Proceeds and Issuer Purchases of Equity Securities | 31 |
| Item 3. Defaults Upon Senior Securities | 31 |
| Item 4. Mine Safety Disclosures | 31 |
| Item 5. Other Information | 31 |
| Item 6. Exhibits | 33 |
| Signatures | 34 |

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

US FOODS HOLDING CORP. **US FOODS HOLDING CORP.**

CONSOLIDATED BALANCE SHEETS

CONSOLIDATED BALANCE SHEETS

CONSOLIDATED BALANCE SHEETS

| (In millions, except par value) | (In millions, except par value) | | March 30, 2024 |
|--|---------------------------------------|----------------------|-------------------|
| | September 30, 2023 | December 31, 2022 | |
| | March 30, 2024 | | |
| | (Unaudited) | | |
| | March 30, 2024 | | December 30, 2023 |
| | (Unaudited) | | |
| ASSETS | | | |
| ASSETS | | | |
| ASSETS | ASSETS | | |
| Current assets: | Current assets: | | |
| Current assets: | | | |
| Current assets: | | | |
| Cash and cash equivalents | Cash and cash equivalents | \$ 346 | \$ 211 |
| Accounts receivable, less allowances of \$19 and \$30 | | 1,926 | 1,705 |
| Vendor receivables, less allowances of \$7 and \$8 | | 206 | 143 |
| Cash and cash equivalents | | | |
| Cash and cash equivalents | | | |
| Accounts receivable, less allowances of \$20 and \$18 | | | |
| Vendor receivables, less allowances of \$6 and \$5 | | | |
| Inventories—net | Inventories— net | 1,582 | 1,616 |
| Prepaid expenses | Prepaid expenses | 138 | 124 |
| Assets held for sale | | — | 2 |
| Other current assets | | | |
| Other current assets | | | |
| Other current assets | Other current assets | 11 | 19 |

| | | | |
|---|--|------------------|------------------|
| Total current assets | Total current assets | 4,209 | 3,820 |
| Property and equipment—net | Property and equipment—net | 2,187 | 2,171 |
| Goodwill | Goodwill | 5,685 | 5,625 |
| Other intangibles—net | Other intangibles—net | 808 | 785 |
| Other assets | Other assets | 382 | 372 |
| Total assets | Total assets | \$ 13,272 | \$ 12,773 |
| LIABILITIES, MEZZANINE EQUITY AND SHAREHOLDERS' EQUITY | | | |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| Current liabilities: | Current liabilities: | | |
| Current liabilities: | | | |
| Current liabilities: | | | |
| Cash overdraft liability | | | |
| Cash overdraft liability | | | |
| Cash overdraft liability | Cash overdraft liability | \$ 214 | \$ 175 |
| Accounts payable | Accounts payable | 2,249 | 1,855 |
| Accrued expenses and other current liabilities | Accrued expenses and other current liabilities | 677 | 650 |
| Current portion of long-term debt | Current portion of long-term debt | 112 | 116 |
| Total current liabilities | Total current liabilities | 3,252 | 2,796 |
| Long-term debt | Long-term debt | 4,574 | 4,738 |
| Deferred tax liabilities | Deferred tax liabilities | 304 | 298 |
| Other long-term liabilities | Other long-term liabilities | 450 | 446 |
| Total liabilities | Total liabilities | 8,580 | 8,278 |
| Commitments and contingencies (Note 18) | | | |
| Mezzanine equity: | | | |

Series A convertible preferred stock,
\$0.01 par value—25 shares
authorized; 0 and 0.5 issued and
outstanding as of September 30, 2023
and December 31, 2022, respectively

— 534

Commitments and
contingencies
(Note 16)

Commitments and contingencies (Note 16)

Shareholders'
equity:

Shareholders'
equity:

Common stock, \$0.01 par value—
600 shares authorized; 252.5
issued and 246.3 outstanding as of
September 30, 2023, and 225.2
issued and 224.8 outstanding as of
December 31, 2022

3 2

Shareholders' equity:

Shareholders' equity:

Common stock, \$0.01 par value—
600 shares authorized; 253.9
issued and 245.8 outstanding as of
March 30, 2024, and 252.9 issued
and 245.1 outstanding as of
December 30, 2023

Common stock, \$0.01 par value—
600 shares authorized; 253.9
issued and 245.8 outstanding as of
March 30, 2024, and 252.9 issued
and 245.1 outstanding as of
December 30, 2023

Common stock, \$0.01 par value—
600 shares authorized; 253.9
issued and 245.8 outstanding as of
March 30, 2024, and 252.9 issued
and 245.1 outstanding as of
December 30, 2023

Additional paid-in capital

Additional paid-in capital

3,642

3,036

Retained earnings

Retained earnings

1,362

1,010

Accumulated other comprehensive loss

Accumulated other comprehensive loss

(70)

(73)

Treasury Stock, 6.2 and 0.4
shares, respectively

Treasury Stock, 6.2 and 0.4
shares, respectively

(245)

(14)

Treasury Stock,
8.1 and 7.8
shares,
respectively

| | | | |
|--|----------------------------|-----------|-----------|
| Total shareholders' equity | Total shareholders' equity | 4,692 | 3,961 |
| Total liabilities, mezzanine equity and shareholders' equity | | \$ 13,272 | \$ 12,773 |
| Total liabilities and shareholders' equity | | | |

See Notes to Consolidated Financial Statements (Unaudited).

1

| | |
|---|---|
| US FOODS HOLDING CORP. | US FOODS HOLDING CORP. |
| US FOODS HOLDING CORP. | |
| CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited) | |
| CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited) | |
| CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited) | CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited) |
| (In millions, except per share data) | (In millions, except per share data) |
| (In millions, except per share data) | |
| (In millions, except per share data) | |
| | 13 Weeks Ended |
| | 13 Weeks Ended 39 Weeks Ended |
| | 13 Weeks Ended |
| | September 30, 2023 October 1, 2022 September 30, 2023 October 1, 2022 |
| | 13 Weeks Ended |
| | March 30, 2024 |
| Net sales | Net sales \$ 9,106 \$ 8,917 \$ 26,661 \$ 25,542 |
| Cost of goods sold | Cost of goods sold 7,564 7,457 22,103 21,504 |
| Gross profit | Gross profit 1,542 1,460 4,558 4,038 |
| Operating expenses: | Operating expenses: |

| | | | | | |
|--|--|---------|---------|---------|---------|
| Distribution, selling and administrative costs | Distribution, selling and administrative costs | 1,312 | 1,246 | 3,819 | 3,640 |
| Distribution, selling and administrative costs | | | | | |
| Distribution, selling and administrative costs | | | | | |
| Restructuring costs and asset impairment charges | | | | | |
| Total operating expenses | Total operating expenses | 1,312 | 1,246 | 3,819 | 3,640 |
| Operating income | Operating income | 230 | 214 | 739 | 398 |
| Other income—net | Other income—net | (1) | (5) | (4) | (16) |
| Interest expense—net | Interest expense—net | 81 | 65 | 244 | 180 |
| Loss on extinguishment of debt | | 21 | — | 21 | — |
| Income before income taxes | | | | | |
| Income before income taxes | | | | | |
| Income before income taxes | Income before income taxes | 129 | 154 | 478 | 234 |
| Income tax provision | Income tax provision | 34 | 45 | 119 | 62 |
| Net income | Net income | 95 | 109 | 359 | 172 |
| Other comprehensive income —net of tax: | Other comprehensive income —net of tax: | | | | |
| Changes in retirement benefit obligations | Changes in retirement benefit obligations | 1 | — | 1 | — |
| Unrecognized gain on interest rate caps | | — | — | 1 | — |
| Changes in retirement benefit obligations | | | | | |
| Comprehensive income | | | | | |
| Comprehensive income | | | | | |
| Comprehensive income | Comprehensive income | \$ 96 | \$ 109 | \$ 361 | \$ 172 |
| Net income | Net income | \$ 95 | \$ 109 | \$ 359 | \$ 172 |
| Series A convertible preferred stock dividends | Series A convertible preferred stock dividends | — | (9) | (7) | (27) |
| Net income available to common shareholders | Net income available to common shareholders | \$ 95 | \$ 100 | \$ 352 | \$ 145 |
| Net income per share | Net income per share | | | | |
| Basic (Note 13) | | \$ 0.38 | \$ 0.44 | \$ 1.49 | \$ 0.65 |

| | | | | |
|--|--|---------|---------|---------|
| Diluted (Note 13) | \$ 0.38 | \$ 0.43 | \$ 1.43 | \$ 0.64 |
| Basic (Note 12) | | | | |
| Basic (Note 12) | | | | |
| Basic (Note 12) | | | | |
| Diluted (Note 12) | | | | |
| Weighted-average common shares outstanding | Weighted-average common shares outstanding | | | |
| Basic (Note 13) | 247 | 225 | 237 | 224 |
| Diluted (Note 13) | 249 | 251 | 251 | 226 |
| Basic (Note 12) | | | | |
| Basic (Note 12) | | | | |
| Basic (Note 12) | | | | |
| Diluted (Note 12) | | | | |

See Notes to Consolidated Financial Statements (Unaudited).

2

| | | | | |
|--|---|--|--|--|
| US FOODS | US FOODS HOLDING CORP. | | | |
| HOLDING CORP. | | | | |
| CONSOLIDATED | | | | |
| STATEMENTS OF | | | | |
| SHAREHOLDERS' | | | | |
| EQUITY | CONSOLIDATED STATEMENTS OF | | | |
| (Unaudited) | SHAREHOLDERS' EQUITY (Unaudited) | | | |
| CONSOLIDATED STATEMENTS OF SHAREHOLDERS' | | | | |
| EQUITY (Unaudited) | | | | |
| CONSOLIDATED STATEMENTS OF SHAREHOLDERS' | | | | |
| EQUITY (Unaudited) | | | | |
| (In millions) | (In millions) | | | |
| | | | | |
| | Accumulated | | | |
| | Common Stock Additional Treasury Stock Other Total | | | |
| | Paid-In Retained | | | |
| | Shares Capital Earnings Shares Amount | | | |
| BALANCE—December 31, 2022 | 225.2 \$ 2 \$ 3,036 \$ 1,010 0.4 \$ (14) \$ (73) \$ 3,961 | | | |
| (In millions) | | | | |
| (In millions) | | | | |
| | Common Stock | | | |
| | Common Stock | | | |

| | | Common Stock | | | | Treasury Stock | | Accumulated Other Comprehensive Loss | | Total Shareholders' Equity | |
|---|---|--------------|------|----------|----------|--------------------|-----------------|--------------------------------------|--------------------|----------------------------|-------|
| | | Shares | | | | Additional Capital | Paid-In Capital | Retained Earnings | Comprehensive Loss | Stock | Other |
| BALANCE—December 30, 2023 | | | | | | | | | | | |
| BALANCE—December 30, 2023 | | | | | | | | | | | |
| BALANCE—December 30, 2023 | | | | | | | | | | | |
| Share-based compensation expense | Share-based compensation expense | — | — | 14 | — | — | — | — | — | — | 14 |
| Proceeds from employee stock purchase plan | Proceeds from employee stock purchase plan | 0.2 | — | 5 | — | — | — | — | — | — | 5 |
| Vested restricted stock units, net | Vested restricted stock units, net | 0.6 | — | — | — | — | — | — | — | — | — |
| Exercise of stock options | Exercise of stock options | 0.3 | — | 7 | — | — | — | — | — | — | 7 |
| Tax withholding payments for net share-settled equity awards | Tax withholding payments for net share-settled equity awards | — | — | (11) | — | — | — | — | — | — | (11) |
| Series A convertible preferred stock conversion to common stock | Series A convertible preferred stock conversion to common stock | 7.6 | — | 161 | — | — | — | — | — | — | 161 |
| Series A convertible preferred stock dividends | Series A convertible preferred stock dividends | — | — | — | (7) | — | — | — | — | — | (7) |
| Changes in retirement benefit obligations, net of income tax | Changes in retirement benefit obligations, net of income tax | | | | | | | | | | |
| Changes in retirement benefit obligations, net of income tax | Changes in retirement benefit obligations, net of income tax | | | | | | | | | | |
| Changes in retirement benefit obligations, net of income tax | Changes in retirement benefit obligations, net of income tax | — | — | — | — | — | — | — | — | 1 | 1 |
| Common stock repurchased | Common stock repurchased | — | — | — | — | 0.9 | (34) | — | — | (34) | — |
| Net Income | Net Income | — | — | — | 82 | — | — | — | — | — | 82 |
| BALANCE—April 1, 2023 | BALANCE—April 1, 2023 | 233.9 | \$ 2 | \$ 3,212 | \$ 1,085 | 1.3 | \$ (48) | \$ (72) | \$ 4,179 | | |

| | | | | | | | | | |
|---|-------|------|----------|----------|-----|----------|---------|----------|-------|
| Share-based compensation expense | — | — | 14 | — | — | — | — | — | 14 |
| Proceeds from employee share purchase plan | | | | | | | | | |
| Exercise of stock options | 0.2 | — | 8 | — | — | — | — | — | 8 |
| Vested restricted stock units—net | 0.7 | — | 15 | — | — | — | — | — | 15 |
| Series A convertible preferred stock conversion to common stock | 0.1 | — | — | — | — | — | — | — | — |
| Unrecognized gain on interest rate caps, net of income tax | 17.4 | 1 | 372 | — | — | — | — | — | 373 |
| Common stock repurchased | | | | | | | | | |
| Excise tax on common stock repurchases | — | — | — | — | 4.2 | (166) | — | — | (166) |
| Net income | — | — | — | 182 | — | — | — | — | 182 |
| BALANCE—July 1, 2023 | 252.3 | \$ 3 | \$ 3,621 | \$ 1,267 | 5.5 | \$ (216) | \$ (71) | \$ 4,604 | |
| Share-based compensation expense | — | — | 15 | — | — | — | — | — | 15 |
| Proceeds from employee stock purchase plan | | | | | | | | | |
| Changes in retirement benefit obligations, net of income tax | 0.2 | — | 6 | — | — | — | — | — | 6 |
| Unrecognized gain on interest rate caps, net of income tax | — | — | — | — | — | — | — | — | — |
| Common stock repurchased | | | | | | | | | |
| Net Income | — | — | — | 95 | — | — | — | — | 95 |
| BALANCE—September 30, 2023 | 252.5 | \$ 3 | \$ 3,642 | \$ 1,362 | 6.2 | \$ (245) | \$ (70) | \$ 4,692 | |
| Net Income | — | — | — | — | — | — | — | — | — |
| Net Income | — | — | — | — | — | — | — | — | — |
| BALANCE—March 30, 2024 | — | — | — | — | — | — | — | — | — |

US FOODS HOLDING CORP.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (Unaudited)

(In millions)

| | Common Stock | | | | | | Treasury Stock | | | Accumulated | |
|--|--------------|--------|-----------------|-------------------|----------------|---------|--------------------|----------------------|----|-------------|--|
| | Common Stock | | Additional | | Treasury Stock | | Other | Total | | | |
| | Shares | Amount | Paid-In Capital | Retained Earnings | Shares | Amount | Comprehensive Loss | Shareholders' Equity | | | |
| BALANCE—December 31, 2022 | 225.2 | \$ 2 | \$ 3,036 | \$ 1,010 | 0.4 | \$ (14) | \$ (73) | \$ 3,961 | | | |
| Share-based compensation expense | — | — | 14 | — | — | — | — | — | 14 | | |
| Proceeds from employee stock purchase plan | 0.2 | — | 5 | — | — | — | — | — | 5 | | |

| | | | | | | | | | | |
|---|--------------|-------------|-----------------|-----------------|------------|----------------|----------------|-----------------|---|------|
| Vested restricted stock units, net | 0.6 | — | — | — | — | — | — | — | — | — |
| Exercise of stock options | 0.3 | — | — | 7 | — | — | — | — | — | 7 |
| Tax withholding payments for net share-settled equity awards | — | — | (11) | — | — | — | — | — | — | (11) |
| Series A convertible preferred stock conversion to common stock | 7.6 | — | 161 | — | — | — | — | — | — | 161 |
| Series A convertible preferred stock dividends | — | — | — | (7) | — | — | — | — | — | (7) |
| Changes in retirement benefit obligations, net of income tax | — | — | — | — | — | — | — | 1 | 1 | 1 |
| Common stock repurchased | — | — | — | — | 0.9 | (34) | — | — | — | (34) |
| Net Income | — | — | — | 82 | — | — | — | — | — | 82 |
| BALANCE—April 1, 2023 | 233.9 | \$ 2 | \$ 3,212 | \$ 1,085 | 1.3 | \$ (48) | \$ (72) | \$ 4,179 | | |

See Notes to Consolidated Financial Statements (Unaudited).

US FOODS HOLDING CORP.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (Unaudited)

(In millions)

| | Common Stock | | Additional | | Treasury Stock | | Other | | Accumulated Shareholders' Equity | |
|--|--------------|-------------|-----------------|---------------|----------------|-------------|--------------------|-----------------|----------------------------------|------|
| | Shares | Amount | Paid-In | Retained | Shares | Amount | Comprehensive Loss | Other | Total | |
| | | | Capital | Earnings | | | | | | |
| BALANCE—January 1, 2022 | 223.0 | \$ 2 | \$ 2,970 | \$ 782 | — | \$ — | \$ (19) | \$ 3,735 | | |
| Share-based compensation expense | — | — | 12 | — | — | — | — | — | — | 12 |
| Proceeds from employee stock purchase plan | 0.2 | — | 5 | — | — | — | — | — | — | 5 |
| Vested restricted stock units, net | 0.7 | — | — | — | — | — | — | — | — | — |
| Restricted Shares, net | (0.2) | — | — | — | — | — | — | — | — | — |
| Exercise of stock options | 0.1 | — | 2 | — | — | — | — | — | — | 2 |
| Tax withholding payments for net share-settled equity awards | — | — | (16) | — | — | — | — | — | — | (16) |
| Series A convertible preferred stock dividends | — | — | — | (9) | — | — | — | — | — | (9) |
| Net Loss | — | — | — | (7) | — | — | — | — | — | (7) |
| BALANCE—April 2, 2022 | 223.8 | \$ 2 | \$ 2,973 | \$ 766 | — | \$ — | \$ (19) | \$ 3,722 | | |
| Share-based compensation expense | — | — | 9 | — | — | — | — | — | — | 9 |
| Proceeds from employee stock purchase plan | 0.2 | — | 7 | — | — | — | — | — | — | 7 |
| Exercise of stock options | 0.3 | — | 5 | — | — | — | — | — | — | 5 |
| Series A convertible preferred stock dividends | — | — | — | (9) | — | — | — | — | — | (9) |
| Net Income | — | — | — | 70 | — | — | — | — | — | 70 |
| BALANCE—July 2, 2022 | 224.3 | \$ 2 | \$ 2,994 | \$ 827 | — | \$ — | \$ (19) | \$ 3,804 | | |
| Share-based compensation expense | — | — | 13 | — | — | — | — | — | — | 13 |
| Proceeds from employee stock purchase plan | — | — | 5 | — | — | — | — | — | — | 5 |

| | | | | | | | | | |
|--|--------------|-------------|-----------------|---------------|-------------|-------------|----------------|-----------------|-----|
| Exercise of stock options | 0.5 | — | 5 | — | — | — | — | — | 5 |
| Series A convertible preferred stock dividends | — | — | — | (9) | — | — | — | — | (9) |
| Net income | — | — | — | 109 | — | — | — | — | 109 |
| BALANCE—October 1, 2022 | <u>224.8</u> | <u>\$ 2</u> | <u>\$ 3,017</u> | <u>\$ 927</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ (19)</u> | <u>\$ 3,927</u> | |

US FOODS HOLDING CORP.

CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

(In millions)

| | 13 Weeks Ended | |
|---|----------------|---------------|
| | March 30, 2024 | April 1, 2023 |
| Cash flows from operating activities: | | |
| Net income | \$ 82 | \$ 82 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 105 | 98 |
| Gain on disposal of property and equipment—net | — | (1) |
| Amortization of deferred financing costs | 3 | 7 |
| Deferred tax provision | 5 | 5 |
| Share-based compensation expense | 15 | 14 |
| Provision for doubtful accounts | 7 | 10 |
| Changes in operating assets and liabilities: | | |
| Increase in receivables | (173) | (197) |
| Increase in inventories—net | (20) | (9) |
| (Increase) decrease in prepaid expenses and other assets | (1) | 2 |
| Increase in accounts payable and cash overdraft liability | 221 | 321 |
| Decrease in accrued expenses and other liabilities | (105) | (53) |
| Net cash provided by operating activities | 139 | 279 |
| Cash flows from investing activities: | | |
| Proceeds from sales of property and equipment | 1 | 1 |
| Purchases of property and equipment | (87) | (61) |
| Net cash used in investing activities | (86) | (60) |
| Cash flows from financing activities: | | |
| Principal payments on debt and financing leases | (457) | (111) |
| Principal payments on debt repricing | (14) | — |
| Proceeds from debt repricing | 14 | — |
| Proceeds from debt borrowings | 426 | 13 |
| Dividends paid on Series A convertible preferred stock | — | (7) |
| Repurchase of common stock | (13) | (34) |
| Debt financing costs and fees | (1) | — |
| Proceeds from employee stock purchase plan | 5 | 5 |
| Proceeds from exercise of stock options | 5 | 7 |
| Tax withholding payments for net share-settled equity awards | (20) | (11) |

| | | | |
|---|----|------|--------|
| Net cash used in financing activities | | (55) | (138) |
| Net (decrease) increase in cash, and cash equivalents and restricted cash | | (2) | 81 |
| Cash, cash equivalents and restricted cash—beginning of period | | 269 | 211 |
| Cash, cash equivalents and restricted cash—end of period | \$ | 267 | \$ 292 |
| Supplemental disclosures of cash flow information: | | | |
| Conversion of Series A Convertible Preferred Stock | \$ | — | 162 |
| Interest paid—net of amounts capitalized | | 93 | 61 |
| Income taxes paid—net | | 5 | 3 |
| Property and equipment purchases included in accounts payable | | 20 | 17 |
| Leased assets obtained in exchange for financing lease liabilities | | 56 | 47 |
| Leased assets obtained in exchange for operating lease liabilities | | 7 | 9 |
| Cashless exercise of stock options | | 4 | 1 |

See Notes to Consolidated Financial Statements (Unaudited).

4

| US FOODS HOLDING CORP. CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited) (In millions) | 39 Weeks Ended | | |
|--|----------------|--------|-----------------|
| | September 30, | | October 1, 2022 |
| | 2023 | 2022 | |
| Cash flows from operating activities: | | | |
| Net income | \$ 359 | \$ 172 | |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | |
| Depreciation and amortization | 290 | 273 | |
| Gain on disposal of property and equipment—net | (5) | (2) | |
| Loss on extinguishment of debt | 21 | — | |
| Amortization of deferred financing costs | 14 | 10 | |
| Deferred tax provision | 5 | (1) | |
| Share-based compensation expense | 43 | 34 | |
| Provision for doubtful accounts | 20 | 3 | |
| Changes in operating assets and liabilities: | | | |
| Increase in receivables | (291) | (435) | |
| Decrease (increase) in inventories—net | 45 | (74) | |
| (Increase) decrease in prepaid expenses and other assets | (14) | 2 | |
| Increase in accounts payable and cash overdraft liability | 434 | 574 | |
| Increase in accrued expenses and other liabilities | 14 | 57 | |
| Net cash provided by operating activities | 935 | 613 | |
| Cash flows from investing activities: | | | |

| | | |
|--|---------|---------|
| Proceeds from sales of property and equipment | 8 | 4 |
| Purchases of property and equipment | (167) | (201) |
| Acquisition of broadline operations | (142) | — |
| Net cash used in investing activities | (301) | (197) |
| Cash flows from financing activities: | | |
| Principal payments on debt and financing leases | (535) | (1,215) |
| Repurchase of Senior Note Debt | (1,000) | — |
| Issuance of new Senior Note Debt | 1,000 | — |
| Principal payments on debt repricing | (43) | — |
| Proceeds from debt repricing | 43 | — |
| Proceeds from debt borrowings | 255 | 1,031 |
| Dividends paid on Series A convertible preferred stock | (7) | (27) |
| Repurchase of common stock | (229) | — |
| Debt financing costs and fees | (10) | — |
| Proceeds from employee stock purchase plan | 19 | 17 |
| Proceeds from exercise of stock options | 23 | 12 |
| Purchase of interest rate caps | (3) | — |
| Tax withholding payments for net share-settled equity awards | (12) | (16) |
| Net cash used in financing activities | (499) | (198) |
| Net increase in cash, and cash equivalents and restricted cash | 135 | 218 |
| Cash, cash equivalents and restricted cash—beginning of period | 211 | 148 |
| Cash, cash equivalents and restricted cash—end of period | \$ 346 | \$ 366 |
| Supplemental disclosures of cash flow information: | | |
| Conversion of Series A Convertible Preferred Stock | \$ 534 | \$ — |
| Interest paid—net of amounts capitalized | 239 | 162 |
| Income taxes paid—net | 126 | 45 |
| Property and equipment purchases included in accounts payable | 25 | 25 |
| Leased assets obtained in exchange for financing lease liabilities | 108 | 98 |
| Leased assets obtained in exchange for operating lease liabilities | 27 | 35 |
| Cashless exercise of stock options | 1 | 1 |

See Notes to Consolidated Financial Statements (Unaudited).

US FOODS HOLDING CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

(Amounts in tables in millions, except per share data, unless otherwise noted)

1. OVERVIEW AND BASIS OF PRESENTATION

US Foods Holding Corp., a Delaware corporation, and its consolidated subsidiaries are referred to in these consolidated financial statements and notes as "we," "our," "us," the "Company," or "US Foods." US Foods Holding Corp. conducts all of its operations through its wholly owned subsidiary US Foods, Inc. ("USF") and its subsidiaries. All of the Company's indebtedness, as further described in Note 10, 9, Debt, is a direct obligation of USF and its subsidiaries.

Business Description—The Company, through USF, operates in one business segment in which it markets, sells and distributes fresh, frozen and dry food and non-food products to foodservice customers throughout the United States ("U.S."). These customers include independently owned single and multi-unit restaurants, regional concepts, national restaurant chains, hospitals, nursing homes, hotels and motels, country clubs, government and military organizations, colleges and universities and retail locations.

Basis of Presentation—The Company operates on a 52- or 53-week fiscal year, with all periods ending on a Saturday. When a 53-week fiscal year occurs, the Company reports the additional week in the fiscal fourth quarter. Fiscal years 2023 2024 and 2022 2023 are both 52-week fiscal years.

The consolidated financial statements included in this Quarterly Report have been prepared in accordance with accounting principles generally accepted in the U.S. ("GAAP") for interim financial information and the applicable rules and regulations of the Securities and Exchange Commission ("SEC"). Certain information and disclosures normally included in financial statements and notes prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. The Company believes that the disclosures included in this Quarterly Report are adequate to make the information presented not misleading. These interim consolidated financial statements and notes should be read in conjunction with the audited consolidated financial statements and notes included in the 2022 Annual Report. Report on Form 10-K for the fiscal year ended December 30, 2023 (the "2023 Annual Report").

The consolidated interim financial statements reflect all adjustments (consisting of normal recurring items) necessary for the fair presentation of the financial position, results of operations and cash flows for the interim periods presented. The results of operations for interim periods are not necessarily indicative of the results that might be achieved for any other interim period or the full fiscal year.

2. RECENT ACCOUNTING PRONOUNCEMENTS

Recently Adopted Issued Accounting Pronouncements

In December 2022, November 2023, the FASB issued ASU 2022-06 "Reference Rate Reform" 2023-07 Segment Reporting ("Topic 848" 280") "Deferral" "Improvements to Reportable Segment Disclosures Topic 280," which enhances the transparency of the Sunset Date segment disclosures primarily related to conclusions on consolidated net income as a measure of Topic 848", which deferred the sunset date of Topic 848 from December 31, 2022 segment profit or loss that is most consistent with U.S. GAAP. This guidance also applies to December 31, 2024 single reportable segment entities. This guidance is effective for fiscal years beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024. Topic 848 provides optional expedites This guidance is effective on a retrospective basis unless it is impracticable to do so and exceptions for applying GAAP early adoption is permitted. The Company plans to contract modifications and hedge accounting to ease the financial reporting burdens of the expected market transition from the London Interbank Offered Rate ("LIBOR") and other interbank offered rates to alternative reference rates. The standard was effective upon issuance and the Company may apply the optional expedites and elections in Topic 848 prospectively through December 31, 2024. For the Company, adopt the provisions of this ASU were No. 2023-07 at the beginning of the fourth quarter of fiscal year 2024 and does not expect the provisions of the new standard to materially affect our financial position, results of operation or cash flows.

In December 2023, the FASB issued ASU No 2023-09 Income Taxes ("Topic 740") "Improvements to Income Tax Disclosures Topic 740", which enhances the transparency of income tax disclosures primarily related to rate reconciliation and income taxes paid information. This guidance is effective upon issuance for fiscal years beginning after December 15, 2024. This guidance is effective on a prospective basis, though retrospective application is permitted. The Company plans to adopt the provisions of ASU No. 2023-09 at the beginning of the first quarter of fiscal year 2025 and did does not expect the provisions of the new standard to materially affect our financial position, results of operation or cash flows.

In March 2024, the SEC adopted amendments to its rules under the Securities Act and Exchanges Act *The Enhancement and Standardization of Climate-Related Disclosures for Investors* ("SEC Climate Rule"), which enhances the transparency of climate-related disclosures primarily related to climate-related risks that have materially impacted, or are reasonably likely to have a material impact on, business strategy, results of operations, or financial condition. The SEC has been the subject of various lawsuits since adopting these amendments, and has voluntarily stayed these standards pending further developments on the legal front. Under the currently issued SEC Climate Rule, these amendments would be effective for large accelerated filers for fiscal year 2025. The Company is continuing to monitor

developments associated with these standards and has begun to assess the impacts they may have on the Company's consolidated financial statements, position, results of operation and cash flows.

5

3. REVENUE RECOGNITION

The Company recognizes revenue when the performance obligation is satisfied, which occurs when a customer obtains control of the promised goods or services. The amount of revenue recognized reflects the consideration which the Company expects to be entitled to receive in exchange for these goods or services. The Company generates substantially all of its revenue from the distribution and sale of food and food-related products and recognizes revenue when title and risk of loss passes to the customer and the customer accepts the goods, which occurs at delivery. Customer sales incentives, such as volume-based rebates or discounts, are treated as a reduction of revenue at the time the revenue is recognized. Sales taxes invoiced to customers and remitted to governmental authorities are excluded from net sales. Shipping and handling costs are treated as fulfillment costs and included in distribution, selling and administrative costs.

The Company did not have any material outstanding performance obligations, contract liabilities or capitalized contract acquisition costs as of **September 30, 2023** **March 30, 2024** or **December 31, 2022** **December 30, 2023**. Customer receivables, which are included in accounts receivable, less allowances in the Company's Consolidated Balance Sheets, were **\$1.9 billion** **\$2.0 billion** and **\$1.7 billion** **\$1.9 billion** as of **September 30, 2023** **March 30, 2024** and **December 31, 2022** **December 30, 2023**, respectively.

6

The Company has certain customer contracts under which incentives are paid upfront to its customers. These payments have become industry practice and are not related to financing any customer's business, nor are these payments associated with any distinct good or service to be received from any customer. These incentive payments are capitalized in prepaid expenses and other assets and amortized as a reduction of revenue over the life of the contract or as goods or services are transferred to the customer. The Company's contract assets for these upfront payments were **\$31 million** **\$40 million** and **\$29 million** **\$35 million** included in prepaid expenses in the Company's Consolidated Balance Sheets as of **September 30, 2023** **March 30, 2024** and **December 31, 2022** **December 30, 2023**, respectively, and **\$35 million** **\$43 million** and **\$31 million** **\$39 million** included in other assets in the Company's Consolidated Balance Sheets as of **September 30, 2023** **March 30, 2024** and **December 31, 2022** **December 30, 2023**, respectively.

The following table presents the disaggregation of revenue for each of the Company's principal product categories:

| | | 13 Weeks Ended | | 39 Weeks Ended | |
|-----------------------|----------------------|----------------|----------|-----------------------|----------|
| | | September | October | September | October |
| | | 30, 2023 | 1, 2022 | 30, 2023 | 1, 2022 |
| 13 Weeks Ended | | | | | |
| 13 Weeks Ended | | | | | |
| 13 Weeks Ended | | | | | |
| March 30, | | | | March 30, 2024 | |
| 2024 | | | | April 1, 2023 | |
| Meats and seafood | Meats and seafood | \$ 3,074 | \$ 3,207 | \$ 8,924 | \$ 9,443 |
| Dry grocery products | Dry grocery products | 1,634 | 1,529 | 4,796 | 4,347 |

| | | | | | |
|--|--|----------|----------|-----------|-----------|
| Refrigerated and frozen grocery products | Refrigerated and frozen grocery products | 1,543 | 1,386 | 4,505 | 3,880 |
| Dairy | Dairy | 927 | 959 | 2,802 | 2,658 |
| Equipment, disposables and supplies | Equipment, disposables and supplies | 903 | 916 | 2,704 | 2,622 |
| Beverage products | Beverage products | 516 | 441 | 1,479 | 1,248 |
| Produce | Produce | 509 | 479 | 1,451 | 1,344 |
| Total net sales | Total net sales | \$ 9,106 | \$ 8,917 | \$ 26,661 | \$ 25,542 |

4. BUSINESS ACQUISITIONS

During the fiscal quarter ended September 30, 2023, the Company acquired Renzi Foodservice, a broadline distributor in New York, for a purchase price of \$142 million. The acquisition, which was funded with cash from operations, allows US Foods to further expand its reach into central upstate New York.

The Renzi Foodservice acquisition, reflected in the Company's consolidated financial statements commencing from the date of acquisition on July 7, 2023, did not materially affect the Company's results of operations or financial position. The Company recorded goodwill of \$60 million and intangible assets of \$57 million for this acquisition. The intangible assets included \$54 million related to customer relationships and \$3 million related to noncompete agreements, which will be amortized on a straight-line basis over an estimated useful life of 15 and 5 years, respectively. The goodwill recognized from the Renzi Foodservice acquisition is deductible for tax purposes. Renzi Foodservice is integrated into the Company's foodservice distribution network.

5. INVENTORIES

The Company's inventories, consisting mainly of food and other food-related products, are primarily considered finished goods. Inventory costs include the purchase price of the product, freight costs to deliver it to the Company's distribution and retail facilities, and depreciation and labor related to processing facilities and equipment and are net of certain cash or non-cash consideration received from vendors. The Company assesses the need for valuation allowances for slow-moving, excess and obsolete inventories by estimating the net recoverable value of such goods based upon inventory category, inventory age, specifically identified items, and overall economic conditions.

The Company records inventories at the lower of cost or market primarily using the last-in, first-out ("LIFO") method. For our LIFO based inventories, the base year values of beginning and ending inventories are determined using the inventory price index computation method. This "links" current costs to original costs in the base year when the Company adopted LIFO. LIFO reserves in the Company's Consolidated Balance Sheets were \$530 million \$533 million and \$489 million \$488 million as of September 30, 2023 March 30, 2024 and December 31, 2022 December 30, 2023, respectively. As a result of changes in LIFO reserves, cost of goods sold increased \$37 \$45 million and \$6 \$20 million for the 13 weeks ended September 30, 2023 March 30, 2024 and October 1, 2022, respectively, and increased \$42 million and \$143 million for the 39 weeks ended September 30, 2023 and October 1, 2022 April 1, 2023, respectively.

6.5. ALLOWANCE FOR DOUBTFUL ACCOUNTS

The Company performs on-going credit evaluations of its customers and adjusts credit limits based upon payment history and the customer's current credit worthiness, as determined by the review of their current credit information. Collections and payments from customers are continuously monitored. The Company evaluates the collectability of its accounts receivable and determines the appropriate allowance for doubtful accounts based on a combination of factors. The Company maintains an

allowance for doubtful accounts, which is based upon historical experience, future expected losses, as well as specific customer collection issues that have been identified. The Company uses specific criteria to determine uncollectible receivables to be written off, including bankruptcy, accounts referred to outside parties for collection, and accounts past due over specified periods.

Activity in the allowance for doubtful accounts for the 13 weeks ended September 30, 2023 includes \$4 million charged to costs and expenses, as well as \$17 million of customer accounts written off - net of recoveries. For the 13 weeks ended September 30, 2023, the customer accounts written off - net of recoveries is primarily due to a one-time write-off for one large national customer whose outstanding amount due had previously been reserved. Activity for the 13 weeks ended October 1, 2022 was de minimis. A summary of the activity in the allowance for doubtful accounts for the 39 weeks ended September 30, 2023 March 30, 2024 and October 1, 2022 April 1, 2023 was as follows:

| | September | October | |
|------------------------------------|------------------------------------|--------------|---------------|
| | 30, 2023 | 1, 2022 | |
| March | | | |
| 30, | | | |
| 2024 | | | |
| March | | | |
| 30, | | | |
| 2024 | | | |
| March | | | |
| 30, | | | |
| 2024 | | | |
| | | | April 1, 2023 |
| Balance as of beginning of year | Balance as of beginning of year | \$ 30 | \$ 33 |
| Charged to costs and expenses, net | Charged to costs and expenses, net | 20 | 3 |
| Customer accounts written off | Customer accounts written off | | |
| —net of recoveries | —net of recoveries | (31) | (4) |
| Balance as of end of period | Balance as of end of period | <u>\$ 19</u> | <u>\$ 32</u> |

This table excludes the vendor receivable related allowance for doubtful accounts of \$7 million \$6 million as of September 30, 2023 March 30, 2024, \$8 million \$5 million as of December 30, 2023, \$8 million as of April 1, 2023 and \$8 million as of December 31, 2022, \$10 million as of October 1, 2022 and \$7 million as of January 1, 2022, respectively.

7.6. PROPERTY AND EQUIPMENT

Property and equipment are stated at cost. Depreciation of property and equipment is calculated using the straight-line method over the estimated useful lives of the assets, which range from 3 to 40 years. Property and equipment under financing leases and leasehold improvements are amortized on a straight-line basis over the shorter of the remaining terms of the related leases or the estimated useful lives of the assets, if reasonably assured the Company will purchase the assets at the end of the lease terms. As of September 30,

2023 March 30, 2024 and December 31, 2022 December 30, 2023, property and equipment-net included accumulated depreciation of \$3,200 million \$3,224 million and \$2,981 million \$3,219 million, respectively. Depreciation expense was \$85 million \$93 million and \$81 million \$87 million for the 13 weeks ended September 30, 2023 March 30, 2024 and October 1, 2022 and \$256 million and \$240 million for the 39 weeks ended September 30, 2023 and October 1, 2022 April 1, 2023, respectively.

8.7. GOODWILL AND OTHER INTANGIBLES

Goodwill includes the cost of acquired businesses in excess of the fair value of the tangible and other intangible net assets acquired. Other intangible assets include customer relationships, noncompete agreements, amortizable trade names, the brand names comprising the Company's portfolio of exclusive brands, and trademarks. Brand names and trademarks are indefinite-lived intangible assets and, accordingly, are not subject to amortization, but are subject to impairment assessments as described below.

Customer relationships, noncompete agreements and amortizable trade names are intangible assets with definite lives, and are carried at the acquired fair value less accumulated amortization. Customer relationships, noncompete agreements and amortizable trade names are amortized over their estimated useful lives (which range from approximately 3 to 15 years). Amortization expense was \$12 million and \$11 million for the 13 weeks ended September 30, 2023 March 30, 2024 and October 1, 2022, respectively, and \$34 million and \$33 million for the 39 weeks ended September 30, 2023 and October 1, 2022 April 1, 2023, respectively.

87

Goodwill and other intangibles—net consisted of the following:

| | September 30, 2023 | December 31, 2022 | March 30, 2024 | March 30, 2024 | December 30, 2023 |
|---|------------------------------|----------------------|----------------|----------------|-------------------|
| Goodwill | Goodwill | \$ 5,685 | \$ 5,625 | | |
| Other intangibles— net | Other intangibles— net | | | | |
| Customer relationships | Customer relationships | | | | |
| — amortizable: | — amortizable: | | | | |
| Customer relationships— amortizable: | | | | | |
| Customer relationships— amortizable: | | | | | |
| Gross carrying amount | | | | | |
| Gross carrying amount | | | | | |
| Gross carrying amount | Gross carrying amount | \$ 708 | \$ 655 | | |
| Accumulated amortization | Accumulated amortization | (176) | (144) | | |
| Net carrying value | Net carrying value | 532 | 511 | | |
| Trade names | Trade names | | | | |
| — amortizable: | — amortizable: | | | | |

| | | | |
|------------------------------|-----------------------------|--------|--------|
| Gross carrying amount | Gross carrying amount | 4 | 4 |
| Gross carrying amount | | | |
| Gross carrying amount | | | |
| Accumulated amortization | Accumulated amortization | (2) | (1) |
| Net carrying value | Net carrying value | 2 | 3 |
| Noncompete agreements | Noncompete agreements | — | — |
| — amortizable: | — amortizable: | — | — |
| Gross carrying amount | | | |
| Gross carrying amount | | | |
| Gross carrying amount | Gross carrying amount | 3 | — |
| Accumulated amortization | Accumulated amortization | — | — |
| Net carrying value | Net carrying value | 3 | — |
| Brand names and trademarks | Brand names and trademarks | — | — |
| —not amortizing | —not amortizing | 271 | 271 |
| Total other intangibles—net | Total other intangibles—net | \$ 808 | \$ 785 |

The **increases** **increase** in **goodwill** and the **gross carrying amounts** **amount** of **customer relationships** and **noncompete agreements** **are** **is** attributable to the **Renzi Foodservice** **acquisition** **see Note 4, Business Acquisitions, purchase price adjustments.**

The Company assesses for impairment of intangible assets with definite lives only if events occur that indicate that the carrying amount of an intangible asset may not be recoverable. The Company assesses goodwill and other intangible assets with indefinite lives for impairment annually, or more frequently if events occur that indicate an asset may be impaired. For goodwill and indefinite-lived intangible assets, the Company's policy is to assess for impairment as of the beginning of each fiscal third quarter. No impairments were recognized for the **3913** weeks ended **September 30, 2023** **March 30, 2024** and **October 1, 2022** **April 1, 2023**, respectively.

9.8. FAIR VALUE MEASUREMENTS

Certain assets and liabilities are carried at fair value under GAAP, under which fair value is a market-based measurement, not an entity-specific measurement. The Company's fair value measurements are based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, fair value accounting standards establish a fair value hierarchy which prioritizes the inputs used in measuring fair value as follows:

- Level 1—observable inputs, such as quoted prices in active markets
- Level 2—observable inputs other than those included in Level 1, such as quoted prices for similar assets and liabilities in active or inactive markets that are observable either directly or indirectly, or other inputs that are observable or can be corroborated by observable market data

- Level 3—unobservable inputs for which there is little or no market data, which require the reporting entity to develop its own assumptions

Any transfers of assets or liabilities between Level 1, Level 2, and Level 3 of the fair value hierarchy will be recognized as of the end of the reporting period in which the transfer occurs. There were no transfers between fair value levels in any of the periods presented below.

98

The Company's assets and liabilities measured at fair value on a recurring basis as of **September 30, 2023** **March 30, 2024** and **December 31, 2022** **December 30, 2023**, aggregated by the level in the fair value hierarchy within which those measurements fall, were as follows:

| | | September 30, 2023 | | | | March 30, 2024 | | | | March 30, 2024 | | | |
|--------------------|--------------------|--------------------|---------|---------|-------|-------------------|---------|---------|-------|-------------------|---------|---------|-------|
| | | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| Assets | Assets | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| | | | | | | | | | | | | | |
| Assets | Assets | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| | | | | | | | | | | | | | |
| Money market funds | Money market funds | \$260 | \$ — | \$ — | \$260 | | | | | | | | |
| Interest rate caps | Interest rate caps | \$ — | \$ 3 | \$ — | \$ 3 | | | | | | | | |
| | | | | | | | | | | | | | |
| | | December 31, 2022 | | | | December 31, 2022 | | | | December 31, 2022 | | | |
| | | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| | | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| | | | | | | | | | | | | | |
| Money market funds | Money market funds | | | | | | | | | | | | |
| Interest rate caps | Interest rate caps | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | December 30, 2023 | | | | December 30, 2023 | | | | December 30, 2023 | | | |
| | | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| | | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| | | | | | | | | | | | | | |
| Assets | Assets | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| | | | | | | | | | | | | | |
| Money market funds | Money market funds | \$139 | \$ — | \$ — | \$139 | | | | | | | | |
| Interest rate caps | Interest rate caps | | | | | | | | | | | | |

There were no significant assets or liabilities on the Company's Consolidated Balance Sheets measured at fair value on a nonrecurring basis for the periods presented above, except as further disclosed in Note **8** **7**, Goodwill and Other Intangibles.

Recurring Fair Value Measurements

Money Market Funds

Money market funds include highly liquid investments with an original maturity of three or fewer months. These funds are valued using quoted market prices in active markets and are classified under Level 1 within the fair value hierarchy.

Derivative Financial Instruments

The Company has in the past, and may in the future, use interest rate hedges, designated as cash flow hedges, to manage its exposure to interest rate movements in connection with its variable-rate debt. In April 2023, the Company entered into two, two-year rate cap agreements, which will mature on April 30, 2025, with a total notional amount of \$450 million, which will effectively cap the interest rate on approximately 24% of the current principal amount of the Term Loan Facilities. The Company's maximum exposure to the variable component of the interest rate on the Term Loan Facilities will be 5% on the notional amount covered by the interest rate cap. The Company had no outstanding interest rate hedge agreements as of December 31, 2022.

The Company records its interest rate caps in the Consolidated Balance Sheet at fair value, based on projections of cash flows and future interest rates. The determination of fair value includes the consideration of any credit valuation adjustments necessary, giving consideration to the creditworthiness of the respective counterparties or the Company, as appropriate. The following table presents the balance sheet location and fair value of the interest rate caps at September 30, 2023 March 30, 2024:

| Balance at September 30, 2023 March 30, 2024 | Balance Sheet Location | Fair Value |
|--|-------------------------|------------|
| Derivatives designed as hedging instruments | | |
| Interest Rate Caps rate caps | Other current assets | \$ 2 |
| Interest Rate Caps | Other noncurrent assets | \$ 1 |
| Interest rate caps | Other noncurrent assets | \$ — |

The effective portion of gains and losses on the interest rate caps are initially recorded in other comprehensive loss and reclassified to interest expense during the period in which the hedged transaction affects income. There was no ineffectiveness attributable to the Company's interest rate caps during the 13 weeks and 39 weeks ended September 30, 2023 March 30, 2024. The following table presents the

109

table presents the effect of the Company's interest rate caps in the Consolidated Statement of Comprehensive Income for the 13 weeks and 39 weeks ended September 30, 2023 March 30, 2024:

| Derivatives in Cash Flow Hedging Relationships | Amount of Gain Recognized in Other Comprehensive Loss, net of tax | Location of Amounts Reclassified from Accumulated Other Comprehensive Loss | Amount of Gain Reclassified from |
|--|---|--|--|
| | | | Accumulated Other Comprehensive Loss to Income, net of tax |
| For the 13 weeks ended September 30, 2023 March 30, 2024 | | | |
| Interest Rate Caps | \$ — | Interest expense — net | \$ — |

During the next twelve months, the Company estimates that an immaterial amount \$1 million will be reclassified from accumulated other comprehensive loss to income.

Other Fair Value Measurements

The carrying value of cash, accounts receivable, vendor receivables, cash overdraft liability and accounts payable approximate their fair values due to their short-term maturities.

The fair value of the Company's total debt approximated \$4.5 billion \$4.7 billion and \$4.6 \$4.7 billion as of September 30, 2023 March 30, 2024 and December 31, 2022 December 30, 2023, respectively, as compared to its carrying value of \$4.7 billion \$4.8 billion and \$4.8 \$4.6 billion as of September 30, 2023 March 30, 2024 and December 31, 2022 December 30, 2023 respectively.

The fair value of the Company's 6.25% senior secured notes due April 15, 2025 (the "Secured Senior Notes due 2025") was \$1.0 billion as of December 31, 2022. The fair value of the Company's 6.875% 6.88% senior unsecured notes due September 15, 2028 (the "Unsecured Senior Notes due 2028") was \$0.5 billion as of September 30, 2023 both March 30, 2024 and December 30, 2023. The fair value of the Company's 4.75% unsecured senior notes due February 15, 2029 (the "Unsecured Senior Notes due 2029") was \$0.8 billion and \$0.9 billion as of both September 30, 2023 March 30, 2024 and December 31, 2022 December 30, 2023. The fair value of the Company's 4.625% 4.63% unsecured senior notes due June 1, 2030 (the "Unsecured Senior Notes due 2030") was \$0.4 billion \$0.5 billion as of both September 30, 2023 March 30, 2024 and December 31, 2022 December 30, 2023. The fair value of the Company's 7.25% 7.25% senior unsecured notes due January 15, 2032 (the "Unsecured Senior Notes due 2032") was \$0.5 billion as of September 30, 2023 both March 30, 2024 and December 30, 2023. Fair value of the Unsecured Senior Notes due 2028, the Unsecured Senior Notes due 2029, the Unsecured Senior Notes due 2030 and the Unsecured Senior Notes due 2032 is based upon their closing quoted market prices on the respective dates. The fair value of the Unsecured Senior Notes due 2028, the Unsecured Senior Notes due 2029, the Unsecured Senior Notes due 2030 and the Unsecured Senior Notes due 2032 is classified under Level 2 of the fair value hierarchy. The fair value of the balance of the Company's debt is primarily classified under Level 3 of the fair value hierarchy, with fair value estimated based upon a combination of the cash outflows expected under these debt facilities, interest rates that are currently available to the Company for debt with similar terms, and estimates of the Company's overall credit risk.

11.10

10.9. DEBT

Total debt consisted of the following:

| Debt | Debt | Maturity | Carrying | | | Interest Rate as of March 30, 2024 | Carrying Value as of March 30, 2024 | Carrying Value as of December 30, 2023 |
|---|--------------|--------------------|--|--------------------------------|-------------------------------|------------------------------------|-------------------------------------|--|
| | | | Interest Rate as of September 30, 2023 | Value as of September 30, 2023 | Value as of December 31, 2022 | | | |
| Description | Description | Maturity | September 30, 2023 | September 30, 2023 | December 31, 2022 | Debt Description | Maturity | |
| ABL Facility | ABL Facility | December 7, 2027 | 8.50% | \$ — | \$ — | | | |
| 2019 Incremental Term Loan Facility (net of \$12 and \$19 of unamortized deferred financing costs, respectively) | | September 13, 2026 | 7.43% | 1,108 | 1,232 | | | |
| 2021 Incremental Term Loan Facility (net of \$3 and \$6 of unamortized deferred financing costs, respectively) | | November 22, 2028 | 7.93% | 718 | 786 | | | |
| Secured Senior Notes due 2025 (net of \$0 and \$7 of unamortized deferred financing costs, respectively) ⁽¹⁾ | | April 15, 2025 | 6.25% | — | 993 | | | |

| | | | | |
|--|--------------------|-------|-----|-----|
| Unsecured Senior Notes due 2028 (net of \$5 unamortized deferred financing costs) ⁽¹⁾ | September 15, 2028 | 6.88% | 495 | — |
| Unsecured Senior Notes due 2029 (net of \$6 and \$7 of unamortized deferred financing costs, respectively) | February 15, 2029 | 4.75% | 894 | 893 |
| 2019 Incremental Term Loan Facility (net of \$10 and \$11 of unamortized deferred financing costs, respectively) | | | | |
| 2021 Incremental Term Loan Facility (net of \$3 and \$3 of unamortized deferred financing costs, respectively) | | | | |
| Unsecured Senior Notes due 2028 (net of \$4 and \$5 of unamortized deferred financing costs, respectively) | | | | |
| Unsecured Senior Notes due 2029 (net of \$6 and \$6 of unamortized deferred financing costs, respectively) | | | | |

| | | | | | |
|--|--|------------------|-------------|----------|----------|
| Unsecured Senior Notes due 2030 (net of \$4 and \$4 of unamortized deferred financing costs, respectively) | Unsecured Senior Notes due 2030 (net of \$4 and \$4 of unamortized deferred financing costs, respectively) | June 1, 2030 | 4.625% | 496 | 496 |
| Unsecured Senior Notes due 2032 (net of \$5 of unamortized deferred financing costs) ⁽¹⁾ | Unsecured Senior Notes due 2032 (net of \$5 of unamortized deferred financing costs) ⁽¹⁾ | January 15, 2032 | 7.25% | 495 | — |
| Unsecured Senior Notes due 2032 (net of \$5 and \$5 of unamortized deferred financing costs, respectively) | Unsecured Senior Notes due 2032 (net of \$5 and \$5 of unamortized deferred financing costs, respectively) | | | | |
| Obligations under financing leases | Obligations under financing leases | 2023–2031 | 1.26%-8.31% | 472 | 446 |
| Other debt | Other debt | January 1, 2031 | 5.75% | 8 | 8 |
| Total debt | Total debt | | | 4,686 | 4,854 |
| Current portion of long-term debt | Current portion of long-term debt | | | (112) | (116) |
| Long-term debt | Long-term debt | | | \$ 4,574 | \$ 4,738 |

Unsecured Senior Notes due 2028 and

(1) The Secured Senior Notes due 2025 were paid in full on September 25, 2023, with the proceeds from the issuance of the

the Unsecured Senior Notes due 2032, as well as cash on hand, as further discussed below.

As of **September 30, 2023** **March 30, 2024**, after considering interest rate caps that fixed the variable component of the interest rate on a total notional amount of **\$450 million** **\$450 million** of the current principal amount of the Term Loan Facilities described below, approximately 30% of the Company's total debt bore interest at a floating rate.

ABL Facility

USF's **The Company's** asset based senior secured revolving credit facility (the "ABL Facility") provides **USF** **the Company** with loan commitments having a maximum aggregate principal amount of \$2,300 million. The ABL Facility is scheduled to mature on December 7, 2027.

Borrowings under the ABL Facility bear interest, at **USF's** **the Company's** periodic election, at a rate equal to the sum of an alternative base rate ("ABR"), as described in the ABL Facility, plus a margin ranging from 0.00% to 0.50% based on USF's excess availability under the ABL Facility, or the sum of the Term Secured Overnight Financing Rate ("Term SOFR") plus a margin ranging from 1.00% to 1.50%, based

on USF's excess availability under the ABL Facility, and a credit spread adjustment of 0.10%. The margin under the ABL Facility as of **September 30, 2023** **March 30, 2024** was 0.00% for ABR loans and 1.00% for Term SOFR loans.

USF The Company had no outstanding borrowings, and had outstanding letters of credit totaling **\$487** **\$542** million, under the ABL Facility as of **September 30, 2023** **March 30, 2024**. The outstanding letters of credit primarily relate to securing USF's obligations with respect to its insurance program and certain real estate leases. There was available capacity of **\$1,813** **\$1,758** million under the ABL Facility as of **September 30, 2023** **March 30, 2024**.

Term Loan Facilities

Under its term loan credit agreement, **USF** the Company has entered into an incremental senior secured term loan facility borrowed in September 2019 (the "2019 Incremental Term Loan Facility") and an incremental senior secured term loan facility borrowed in November 2021 (the "2021 Incremental Term Loan Facility"). On June 1, 2023, **USF** the Company entered into an amendment to its term loan credit agreement to replace the LIBOR-based interest rate option included in the term loan credit agreement with an

12

interest rate option based upon Term SOFR. The Company's **USF**'s maximum exposure to the variable component of the interest rate on the Term Loan Facilities will be 5% on the notional amount covered by the interest rate caps described above.

11

2019 Incremental Term Loan Facility

The 2019 Incremental Term Loan Facility had an outstanding balance of **\$1,108 million** **\$1,102 million**, net of **\$12 million** **\$10 million** of unamortized deferred financing costs as of **September 30, 2023** **March 30, 2024**. During the 13 weeks and 39 weeks ended September 30, 2023 the Company voluntarily prepaid \$60 million and \$120 million, respectively, of the 2019 Incremental Term Loan Facility. Borrowings under the 2019 Incremental Term Loan Facility bear interest at a rate per annum equal to, at USF's option, either the sum of (i) Term SOFR plus (ii) a credit spread adjustment of (a) 0.11448% for a one-month term, (b) 0.26161% for a three-month term, or (c) 0.42826% for a six month term, (with the sum of Term SOFR and the foregoing credit spread adjustment subject to a Term SOFR "floor" of 0.00%) plus (iii) a margin of 2.00%, or the sum of (i) an ABR, as described in the 2019 Incremental Term Loan Facility plus a margin of 1.00%. The 2019 Incremental Term Loan Facility will mature on September 13, 2026.

2021 Incremental Term Loan Facility

The 2021 Incremental Term Loan Facility had an outstanding balance of **\$718 million** **\$719 million**, net of \$3 million of unamortized deferred financing costs as of **September 30, 2023** **March 30, 2024**. During the 39 weeks ended September 30, 2023 the Company voluntarily prepaid \$65 million of the 2021 Incremental Term Loan Facility. Borrowings under the 2021 Incremental Term Loan Facility bear interest at a rate per annum equal to, at USF's option, either the sum of (i) Term SOFR plus (ii) a credit spread adjustment of (a) 0.11448% for a one-month term, (b) 0.26161% for a three-month term, or (c) 0.42826% for a six month term, (with the sum of Term SOFR and the foregoing credit spread adjustment subject to a Term SOFR "floor" of 0.00%) plus (iii) (ii) a margin of 2.50%, 2.00% or the sum of (i) an ABR, as described in the 2021 Incremental Term Loan Facility, plus a margin of **1.50%** **1.00%**. The 2021 Incremental Term Loan Facility will mature on November 22, 2028.

On August 22, 2023, the 2021 Incremental Term Loan Facility was further amended to lower reduce the interest rate margins under the term loan facility to 2.50% for Term SOFR borrowings and 1.50% for ABR borrowings. The Company applied modification accounting to the majority of the continuing lenders as the terms were not substantially different from the terms that applied to those lenders prior to the amendment. For the remaining lenders, the Company applied debt extinguishment accounting. The Company recorded \$1 million of third-party costs and a write-off of \$1 million of unamortized deferred financing costs, related to the August 22, 2023 amendment in interest

expense. Unamortized deferred financing costs of ~~\$3 million~~ \$3 million at ~~September 30, 2023~~ December 30, 2023 were carried forward and will be amortized through November 22, 2028, the maturity date of the term loan facility.

Secured Senior Notes due 2025

On ~~September 25, 2023~~ February 27, 2024, the 2021 Incremental Term Loan Facility was further amended to reduce the interest rate margins under the term loan facility to 2.00% for Term SOFR borrowings and 1.00% for ABR borrowings and eliminate the credit spread adjustment. The Company ~~redeemed all~~ applied modification accounting to the majority of the then outstanding Secured Senior Notes due 2025, using proceeds from continuing lenders as the terms were not substantially different from the issuance terms that applied to those lenders prior to the amendment. For the remaining lenders, the Company applied debt extinguishment accounting. The Company recorded \$1 million of third-party costs related to the February 27, 2024 amendment in interest expense. Unamortized deferred financing costs of \$3 million at March 30, 2024 were carried forward and will be amortized through November 22, 2028, the maturity date of the ~~Unsecured Senior Notes due 2028~~ and the ~~Unsecured Senior Notes due 2032~~, along with cash on hand, as discussed below. As a result of the early redemption of the Secured Senior Notes due 2025, the Company incurred a \$16 million prepayment premium, as well as wrote-off deferred financing fees of \$5 million. The total loss on extinguishment of debt of \$21 million is presented separately in the Company's Consolidated Statements of Comprehensive Income.

Unsecured Senior Notes due 2028

On September 25, 2023, USF completed a private offering of \$500 million aggregate principal amount of Unsecured Senior Notes due 2028. USF used the proceeds of the Unsecured Senior Notes due 2028, together with the proceeds of the Unsecured Senior Notes due 2032 and cash on hand, to redeem all of the then outstanding Secured Senior Notes due 2025, and to pay related fees and expenses. Lender fees and third-party costs of \$5 million in connection with the issuance of the Unsecured Senior Notes due 2028 were capitalized as deferred financing costs.

The Unsecured Senior Notes due 2028 had an outstanding balance of ~~\$495~~ \$496 million, net of the ~~\$5 million~~ \$4 million of unamortized deferred financing costs, as of ~~September 30, 2023~~ March 30, 2024. The Unsecured Senior Notes due 2028 bear interest at a rate of ~~6.875%~~ 6.88% per annum and will mature on September 15, 2028. On or after September 15, 2025, the Unsecured Senior Notes due 2028 are redeemable, at USF's option, in whole or in part at a price of 103.438% of the remaining principal, plus accrued and unpaid interest, if any, to, but not including, the applicable redemption date. On or after September 15, 2026 and September 15, 2027, the optional redemption price for the Unsecured Senior Notes due 2028 declines to 101.719% and 100.00%, respectively, of the remaining principal amount, plus accrued and unpaid interest, if any, to, but not including, the applicable redemption date.

Unsecured Senior Notes due 2029

The Unsecured Senior Notes due 2029 had an outstanding balance of \$894 million, net of \$6 million of unamortized deferred financing costs, as of ~~September 30, 2023~~ March 30, 2024. The Unsecured Senior Notes due 2029 bear interest at a rate of 4.75% per annum and will mature on February 15, 2029.

13

Unsecured Senior Notes due 2030

The Unsecured Senior Notes due 2030 had an outstanding balance of \$496 million, net of \$4 million of unamortized deferred financing costs, as of ~~September 30, 2023~~ March 30, 2024. The Unsecured Senior Notes due 2030 bear interest at a rate of ~~4.625%~~ 4.63% per annum and will mature on June 1, 2030.

Unsecured Senior Notes due 2032

On September 25, 2023, USF completed a private offering of \$500 million aggregate principal amount of Unsecured Senior Notes due 2032. USF used the proceeds of the Unsecured Senior Notes due 2032, together with the proceeds of the Unsecured Senior Notes due 2028 and cash on hand, to redeem all of the then outstanding Secured Senior Notes due 2025, and to pay related fees and expenses. Lender fees and third-party costs of \$5 million in connection with the issuance of the Unsecured Senior Notes due 2032 were capitalized as deferred financing costs.

The Unsecured Senior Notes due 2032 had an outstanding balance of \$495 million, net of the \$5 million of unamortized deferred financing costs, as of **September 30, 2023** **March 30, 2024**. The Unsecured Senior Notes due 2032 bear interest at a rate of **7.250%** **7.25%** per annum and will mature on January 15, 2032. On or after September 15, 2026, the Unsecured Senior Notes due 2032 are redeemable, at USF's option, in whole or in part at a price of 103.625% of the remaining principal, plus accrued and unpaid interest, if any, to, but not including, the applicable redemption date. On or after September 15, 2027 and September 15, 2028, the optional redemption price for the Unsecured Senior Notes due 2032 declines to 101.813% and 100.00%, respectively, of the remaining principal amount, plus accrued and unpaid interest, if any, to, but not including, the applicable redemption date.

Debt Covenants

The agreements governing our indebtedness contain customary covenants. These include, among other things, covenants that restrict our ability to incur certain additional indebtedness, create or permit liens on assets, pay dividends, or engage in mergers or consolidations. **USF** **The Company** had approximately **\$1.9** **\$2.0** billion of restricted payment capacity under these covenants, and approximately \$2.8 billion of its net assets were restricted after taking into consideration the net deferred tax assets and intercompany balances that eliminate in consolidation as of **September 30, 2023** **March 30, 2024**.

12

11.10. RESTRUCTURING LIABILITIES

From time to time, the Company may implement initiatives, or close or consolidate facilities in an effort to reduce costs and improve operating effectiveness. In connection with these activities, the Company may incur various costs including severance and other employee-related separation costs.

During the 13 weeks and 39 weeks ended **September 30, 2023** **March 30, 2024**, the Company incurred net restructuring costs of **\$3** **\$13** million primarily related to initiatives to improve operational effectiveness, effectiveness and workforce reductions. During both the 13 weeks and 39 weeks ended **October 1, 2022** **April 1, 2023**, the net restructuring costs were de minimis. Net restructuring liabilities were **\$3** **\$15** million and **\$7** million as of **September 30, 2023** **March 30, 2024** and **December 31, 2022**, **December 30, 2023**, respectively.

The following table summarizes the changes in the restructuring liabilities for the 13 weeks ended March 30, 2024:

| | Severance and Related Costs | Facility Closing Costs | Total |
|---------------------------------|--------------------------------|---------------------------|-------|
| Balance as of December 30, 2023 | \$ 7 | \$ — | \$ 7 |
| Current period costs | 13 | — | 13 |
| Payments, net | (5) | — | (5) |
| Balance at March 30, 2024 | \$ 15 | \$ — | \$ 15 |

12.11. RETIREMENT PLANS

The Company sponsors a defined benefit pension plan (the "Retirement Plan") and a 401(k) savings plan for eligible employees, and provides certain postretirement health and welfare benefits to eligible retirees and their dependents.

In the quarter ending July 1, 2023, the Company issued a notice of intent to terminate the majority of the Retirement Plan. This was previously approved by the Company's Board of Directors. Effective December 30, 2023, the Retirement Plan was split into the Retirement Plan that is continuing, the "Ongoing Plan", and the portion of the Retirement Plan that is terminating, the "Terminating Plan." The Company has commenced the plan termination process for the Terminating Plan and expects all benefits to be settled during 2024, either through a lump-sum payment to participants or the purchase of an annuity offering on behalf of the participants. As the amount of the settlement depends on a number of factors determined as of the Terminating Plan liquidation date, including the annuity pricing, interest rate environment and asset experience, we are currently unable to determine the ultimate cost of the settlement of the Terminating Plan at this time. The Company does not expect to make significant contributions to the Retirement Plan in fiscal year 2024 for the cost of settlement of the Terminating Plan.

The components of net periodic pension benefit credits for Company sponsored defined benefit plans were as follows:

| | | 13 Weeks Ended | | 39 Weeks Ended | |
|--|--------------------------------------|--|--------------------|-----------------------|--------------------|
| | | September 30, 2023 | October 1, 2022 | September 30, 2023 | October 1, 2022 |
| | | 13 Weeks Ended | | 39 Weeks Ended | |
| | | 13 Weeks Ended | | 39 Weeks Ended | |
| | | 13 Weeks Ended | | 39 Weeks Ended | |
| | | March 30, 2024 | | March 30, 2024 | |
| | | March 30, 2024 | | March 30, 2024 | |
| Components of net periodic pension benefit credits | | | | | |
| Components of net periodic pension benefit credits | | | | | |
| Components of net periodic pension benefit credits | | Components of net periodic pension benefit credits | | | |
| Service cost | Service cost | \$ | — | \$ | 1 |
| Service cost | Service cost | \$ | — | \$ | 1 |
| Service cost | Service cost | \$ | — | \$ | 1 |
| Interest cost | Interest cost | 10 | 7 | 29 | 22 |
| Interest cost | Interest cost | (12) | (12) | (36) | (38) |
| Expected return on plan assets | Expected return on plan assets | | | | |
| Expected return on plan assets | Expected return on plan assets | | | | |
| Expected return on plan assets | Expected return on plan assets | | | | |
| Amortization of net loss | Amortization of net loss | 1 | — | 3 | — |
| Amortization of net loss | Amortization of net loss | 1 | — | 3 | — |
| Amortization of net loss | Amortization of net loss | 1 | — | 3 | — |
| Net periodic pension benefit credits | Net periodic pension benefit credits | \$ | (1) | \$ | (4) |
| Net periodic pension benefit credits | Net periodic pension benefit credits | \$ | (1) | \$ | (4) |
| Net periodic pension benefit credits | Net periodic pension benefit credits | \$ | (1) | \$ | (4) |

Other postretirement benefit costs were de minimis for both the 13 weeks ended March 30, 2024 and 39 weeks ended September 30, 2023 and October 1, 2022 April 1, 2023.

The service cost component of net periodic benefit credits is included in distribution, selling and administrative costs, while the other components of net periodic benefit credits are included in other income—net in the Company's Consolidated Statements of Comprehensive Income.

The Company does not expect to make significant contributions to its defined benefit pension plan in fiscal year 2023, 2024.

Certain employees are eligible to participate in the Company's 401(k) plan. The Company made employer matching contributions to the 401(k) plan of \$16 \$21 million and \$14 \$17 million for the 13 weeks ended September 30, 2023 March 30, 2024 and October 1, 2022,

respectively, and \$48 million and \$44 million for the 39 weeks ended September 30, 2023 and October 1, 2022 April 1, 2023, respectively.

The Company is also required to contribute to various multiemployer pension plans under the terms of collective bargaining agreements that cover certain of its union-represented employees. The Company's contributions to these plans were \$14 million \$15 million and \$12 million \$13 million for the 13 weeks ended September 30, 2023 March 30, 2024 and October 1, 2022, respectively, and \$42 million and \$36 million for the 39 weeks ended September 30, 2023 and October 1, 2022 April 1, 2023, respectively.

12. STOCKHOLDERS' EQUITY

Earnings Per Share

The Company computes EPS in accordance with Accounting Standards Codification ("ASC") 260, *Earnings per Share*. Basic EPS is computed by dividing net income available to common shareholders by the weighted-average number of shares of common stock outstanding.

Diluted EPS is computed using the weighted average number of shares of common stock, plus the effect of potentially dilutive securities. The Company applies the treasury method to calculate the dilution impact of share-based awards—stock options, non-vested restricted shares with forfeitable dividend rights, restricted stock units, and employee stock purchase plan deferrals. The Company applies the if-converted method to calculate the dilution impact of the Series A convertible preferred stock (the "Series A Preferred Stock"), if dilutive in the period. For both, the 13 weeks ended September 30, 2023 March 30, 2024 and October 1, 2022 April 1, 2023, share-based awards representing less than 1 million and 3 million underlying common shares, respectively, were not included in the computation because the effect would have been anti-dilutive. For the 39 weeks ended September 30, 2023 and October 1, 2022, share-based awards representing less than 1 million and 3 million underlying common shares, respectively, were not included in the computation because the effect would have been anti-dilutive. Additionally, for the 13 weeks and 39 weeks ended October 1, 2022, Series A Preferred Stock representing 25 million of underlying common shares, were not included in the computation because the effect would have been anti-dilutive. The Series A Preferred Stock shares were dilutive for the 39 weeks ended September 30, 2023 April 1, 2023. For the 13 weeks ended March 30, 2024, there are no Series A Preferred Stock outstanding.

The following table sets forth the computation of basic and diluted EPS:

| | 13 Weeks Ended | | 39 Weeks Ended | |
|--------------------------------|--------------------|-----------------|--------------------|-----------------|
| | September 30, 2023 | October 1, 2022 | September 30, 2023 | October 1, 2022 |
| 13 Weeks Ended | | | | |
| 13 Weeks Ended | | | | |
| 13 Weeks Ended | | | | |
| March 30, 2024 | | | | |
| March 30, 2024 | | | | |
| March 30, 2024 | | | | |
| Numerator: | | | | |
| Numerator: | | | | |
| Numerator: | Numerator: | | | |
| Net income | Net income | \$ 95 | \$ 109 | \$ 359 |
| Net income | | | | \$ 172 |
| Net income | | | | |
| Less: Series A Preferred Stock | | | | |
| Dividends | | | | |
| Less: Series A Preferred Stock | | | | |
| Dividends | | | | |

| | | | | | |
|--|--|-------|--------|--------|--------|
| Less: Series A Preferred Stock Dividends | Less: Series A Preferred Stock Dividends | — | (9) | (7) | (27) |
| Net income available to common shareholders | Net income available to common shareholders | \$ 95 | \$ 100 | \$ 352 | \$ 145 |
| Net income available to common shareholders | | | | | |
| Net income available to common shareholders | | | | | |
| Denominator: | | | | | |
| Denominator: | | | | | |
| Denominator: | Denominator: | | | | |
| Weighted- average common shares outstanding— basic | Weighted- average common shares outstanding— basic | 247 | 225 | 237 | 224 |
| Weighted-average common shares outstanding—basic | | | | | |
| Weighted-average common shares outstanding—basic | | | | | |
| Effect of dilutive share-based awards | | | | | |
| Effect of dilutive share-based awards | | | | | |
| Effect of dilutive share-based awards | Effect of dilutive share-based awards | 2 | 1 | 3 | 2 |
| Effect of dilutive underlying shares of the Series A Preferred Stock | Effect of dilutive underlying shares of the Series A Preferred Stock | — | 25 | 11 | — |
| Effect of dilutive underlying shares of the Series A Preferred Stock ⁽¹⁾ | | | | | |
| Effect of dilutive underlying shares of the Series A Preferred Stock ⁽¹⁾ | | | | | |
| Weighted-average common shares outstanding—diluted | | | | | |
| Weighted-average common shares outstanding—diluted | | | | | |
| Weighted- average common shares outstanding— diluted | Weighted- average common shares outstanding— diluted | 249 | 251 | 251 | 226 |
| Net income per share | Net income per share | | | | |
| Net income per share | | | | | |
| Net income per share | | | | | |
| Basic | | | | | |

| Basic | | | | | |
|---------|---------|---------|---------|---------|---------|
| Basic | Basic | \$ 0.38 | \$ 0.44 | \$ 1.49 | \$ 0.65 |
| Diluted | Diluted | \$ 0.38 | \$ 0.43 | \$ 1.43 | \$ 0.64 |
| Diluted | | | | | |
| Diluted | | | | | |

(1) Under the if-converted method, outstanding shares of the Series A Preferred Stock ~~were treated as if converted to common shares for inclusion in the calculation of the weighted-average common shares outstanding—diluted~~. ~~Once Under this approach, if converted, there would be no preferred stock outstanding and therefore no Series A Preferred Stock dividend. As of September 30, 2023~~ ~~March 30, 2024, the 11 million shares represent the weighted average impact of these shares during the 39 weeks ended September 30, 2023. See Note 14, Convertible Preferred Stock, for details on the~~ ~~there are no Series A Preferred Stock Stock outstanding.~~

Share Repurchase Program

15

On November 2, 2022, our Board of Directors approved a share repurchase program under which the Company is authorized to repurchase up to \$500 million of its outstanding common stock. During the 13 weeks ended ~~September 30, 2023~~ ~~March 30, 2024~~, the Company repurchased 726,690 ~~283,988~~ shares at an aggregate purchase price of approximately \$29 million ~~\$13 million~~ under the program. ~~During the 39 weeks ended September 30, 2023~~ ~~At March 30, 2024, the Company repurchased 5,824,151 shares at an aggregate purchase price of~~ ~~there was approximately \$229 million~~ ~~\$179 million in remaining funds authorized under the~~ ~~this~~ program. Additionally, during the ~~39~~ ~~13~~ weeks ended ~~September 30, 2023~~ ~~March 30, 2024~~, the Company recorded \$2 million of ~~de minimis~~ excise tax associated with common stock repurchases. ~~At September 30, 2023, there was approximately \$257 million in remaining funds authorized under this program.~~

The size and timing of any repurchases will depend on a number of factors, including share price, general business and market conditions and other factors. Under the share repurchase program, repurchases can be made from time to time using a variety of methods, including open market purchases, privately negotiated transactions, accelerated share repurchases and Rule 10b5-1 trading plans. The share repurchase program does not obligate the Company to acquire any particular amount of shares, and the repurchase program may be suspended or discontinued at any time at the Company's discretion. The repurchase authorization does not have an expiration date.

14. CONVERTIBLE PREFERRED STOCK

On May 6, 2020, pursuant to the terms of an Investment Agreement with KKR Fresh Aggregator L.P., a Delaware limited partnership, which agreement was joined on February 25, 2021 by permitted transferee KKR Fresh Holdings L.P., a Delaware limited partnership ("KKR"), the Company issued and sold 500,000 shares of the Company's Series A Preferred Stock, par value \$0.01 per share, to KKR Fresh Aggregator L.P. for an aggregate purchase price of \$500 million, or \$1,000 per share (the "Issuance"). The Company used the net proceeds from the Issuance for working capital and general corporate purposes. As of December 31, 2022, the Company had outstanding a total of 532,281 shares of Series A Preferred Stock. The Series A Preferred Stock had a carrying value of \$534 million as of December 31, 2022.

On March 10, 2023, KKR converted 161,237 shares of Series A Preferred Stock into 7,600,037 shares of the Company's common stock. Pursuant to the terms of conversion of the Series A Preferred Stock set forth in the Certificate of Designations for the Series A Preferred Stock, each such share is convertible at the option of the holder at any time into a number of shares of Common Stock equal to (A) the sum of the liquidation preference for such share (\$1,000) and the accrued and unpaid dividends with regard to such share divided by (B) the applicable conversion price (\$21.50, subject to certain adjustments). The issuance of the 7,600,037 shares of Common Stock was exempt from registration under Section 3(a)(9) under the Securities Act of 1933, as amended, as the Series A Preferred Stock was exchanged for Common Stock by an existing security holder and no commission or other remuneration was paid. On March 31, 2023, the Company paid cash dividends of \$7 million on the remaining outstanding shares of the Series A Preferred Stock.

On May 26, 2023 KKR converted the remaining 371,044 shares of Series A Preferred Stock and completed a secondary offering of 17,425,053 shares of the Company's common stock. Upon completion of this transaction, KKR has relinquished their seat on the Company's Board of Directors and is no longer considered a related party. See Note 16, Related Party Transactions, for information regarding KKR's holdings. In connection with the May 26, 2023 conversion, the Company repurchased \$150 million of common stock. See Note 13, Stockholder's Equity, for information on the Company's share repurchase program.

16 14

15.13. CHANGES IN ACCUMULATED OTHER COMPREHENSIVE LOSS

The following table presents changes in accumulated other comprehensive loss by component for the periods presented:

| | 13 Weeks Ended | | 39 Weeks Ended | |
|--|-----------------------|--------------------|-----------------------|--------------------|
| | September 30, 2023 | October 1, 2022 | September 30, 2023 | October 1, 2022 |
| 13 Weeks Ended | | | | |
| 13 Weeks Ended | | | | |
| 13 Weeks Ended | | | | |
| March 30, 2024 | | | | |
| March 30, 2024 | | | | |
| March 30, 2024 | | | | |
| Accumulated other comprehensive loss components | | | | |
| Accumulated other comprehensive loss components | | | | |
| Accumulated other comprehensive loss components | | | | |
| Retirement benefit obligations: | | | | |
| Retirement benefit obligations: | | | | |
| Balance as of beginning of period ⁽¹⁾ | | | | |
| Balance as of beginning of period ⁽¹⁾ | | | | |
| Balance as of beginning of period ⁽¹⁾ | | | | |
| Reclassification adjustments: | | | | |

| | | | | | | | |
|--|--|---------|---------|---------|---------|--|--|
| Amortization of net loss ^{(2) (3)} | | | | | | | |
| Amortization of net loss ^{(2) (3)} | | | | | | | |
| Amortization of net loss ^{(2) (3)} | Amortization of net loss ^{(2) (3)} | 1 | — | 2 | — | | |
| Current period comprehensive income, net of tax | Current period comprehensive income, net of tax | 1 | — | 2 | — | | |
| Current period comprehensive income, net of tax | | | | | | | |
| Current period comprehensive income, net of tax | | | | | | | |
| Balance as of end of period ⁽¹⁾ | | | | | | | |
| Balance as of end of period ⁽¹⁾ | | | | | | | |
| Balance as of end of period ⁽¹⁾ | Balance as of end of period ⁽¹⁾ | \$ (71) | \$ (19) | \$ (71) | \$ (19) | | |
| Interest rate Caps: | Interest rate Caps: | | | | | | |
| Interest rate Caps: | | | | | | | |
| Interest rate Caps: | | | | | | | |
| Balance at beginning of period ⁽¹⁾ | Balance at beginning of period ⁽¹⁾ | \$ 1 | \$ — | \$ — | \$ — | | |
| Balance at beginning of period ⁽¹⁾ | | | | | | | |
| Change in fair value of interest rate caps | | | | | | | |
| Change in fair value of interest rate caps | | | | | | | |
| Change in fair value of interest rate caps | Change in fair value of interest rate caps | — | — | 1 | — | | |
| Balance at end of period ⁽¹⁾ | Balance at end of period ⁽¹⁾ | \$ 1 | \$ — | \$ 1 | \$ — | | |
| Balance at end of period ⁽¹⁾ | | | | | | | |
| Accumulated other comprehensive loss at end of period ⁽¹⁾ | Accumulated other comprehensive loss at end of period ⁽¹⁾ | \$ (70) | \$ (19) | \$ (70) | \$ (19) | | |
| Accumulated other comprehensive loss at end of period ⁽¹⁾ | | | | | | | |
| Accumulated other comprehensive loss at end of period ⁽¹⁾ | | | | | | | |

(1) Amounts are presented net of tax.

- (2) Included in the computation of net periodic benefit costs. See Note 12, Retirement Plans, for additional information.
- (3) Included in other income—net in the Company's Consolidated Statements of Comprehensive Income.

16.14. RELATED PARTY TRANSACTIONS

As of December 31, 2022, FMR LLC held approximately 11% of the Company's outstanding common stock based solely on information provided in its most recent amendment to its Schedule 13G filed with the SEC. As of September 30, 2023 both March 30, 2024 and December 31, 2022 December 30, 2023, as reported by the administrative agent of the 2019 and 2021 Incremental Term Loan Facilities, investment funds managed by an affiliate of FMR LLC held approximately \$2 million in aggregate principal amount of the 2021 Incremental Term Loan Facility. As December 31, 2022, FMR LLC held approximately \$17 million in aggregate principal amount of the 2019 Incremental Term Loan Facility. Certain FMR LLC affiliates also provide administrative and trustee services for the Company's 401(k) Plan and provide administrative services for other Company sponsored employee benefit plans. Fees earned by FMR LLC affiliates are not material to the Company's consolidated financial statements.

As of May 26, 2023, KKR converted all outstanding Series A Preferred Stock holdings, relinquished their seat on the Company's Board of Directors and is no longer considered a related party. See Note 14, Convertible Preferred Stock, for details on the Series A Preferred Stock.

17.15. INCOME TAXES

The determination of the Company's overall effective income tax rate requires the use of estimates. The effective income tax rate reflects the income earned and taxed in U.S. federal and various state jurisdictions based on enacted tax law, permanent differences between book and tax items, tax credits and the Company's change in relative income in each jurisdiction.

The Company estimated its annual effective income tax rate for the full fiscal year and applied the annual effective income tax rate to the results of the 39 weeks ended September 30, 2023 March 30, 2024 and October 1, 2022 April 1, 2023, and then recognized the impact of discrete tax items for purposes of determining its year-to-date tax provision.

For the 13 weeks ended September 30, 2023 March 30, 2024, the Company's effective income tax rate of 27% differed from the 21% federal corporate income tax rate primarily as a result of state income taxes and the recognition of various discrete tax items. The discrete tax items were not material individually or in the aggregate.

For the 13 weeks ended October 1, 2022, the Company's effective income tax rate of 29% differed from the 21% federal corporate income tax rate primarily as a result of state income taxes and the recognition of various discrete tax items. These discrete tax items included a tax expense of \$2 million, primarily related to share-based compensation.

For the 39 weeks ended September 30, 2023, the Company's effective income tax rate of 25% differed from the 21% federal corporate income tax rate primarily as a result of state income taxes and the recognition of various discrete tax items. These

17

discrete tax items included a tax benefit of \$6 million, primarily related to excess tax benefits associated with share-based compensation and a tax benefit of \$4 million, primarily related to adjustments to prior year tax provision estimates.

For the 39 weeks ended October 1, 2022, the Company's effective income tax rate of 26% 6% differed from the 21% federal corporate income tax rate primarily as a result of state income taxes and the recognition of various discrete tax items. These discrete tax items included a tax benefit of \$15 million related to a decrease in an unrecognized tax benefit as a result of the expiration of the statute of limitations in several jurisdictions, a tax benefit of \$6 million, primarily related to excess tax benefits associated with share-based compensation and a tax expense of \$3 million, primarily related to adjustments to prior year provision estimates.

For the 13 weeks ended April 1, 2023, the Company's effective income tax rate of 23% differed from the 21% federal corporate income tax rate primarily as a result of state income taxes and the recognition of various discrete tax items. These discrete tax items included a tax benefit of \$4 million, primarily related to excess tax benefits associated with share-based compensation.

18.16. COMMITMENTS AND CONTINGENCIES

Purchase Commitments—Commitments—The Company enters into purchase orders with vendors and other parties in the ordinary course of business and has a limited number of purchase contracts with certain vendors that require it to buy a predetermined volume of products. The Company had \$896 million \$1,285 million of purchase orders and purchase contract commitments as of September 30, 2023 March 30, 2024 to be

purchased in the remainder of fiscal year 2023 2024 and \$30 continuing through fiscal year 2028 and \$134 million of information technology commitments through September 2025 2027 that are not recorded in the Company's Consolidated Balance Sheets.

The Company has entered into various minimum volume purchase agreements at various pricing terms. Minimum amounts committed to as of March 30, 2024 totaled approximately \$1.80 billion. Minimum amounts committed to by year are as follows:

| | Amount (in millions) |
|------|-------------------------|
| 2024 | \$ 693 |
| 2025 | 946 |
| 2026 | 158 |
| 2027 | — |
| 2028 | — |

To minimize fuel price risk, the Company enters into forward purchase commitments for a portion of its projected diesel fuel requirements. The Company had diesel fuel forward purchase commitments totaling \$11 \$24 million through December 2023, 2024 as of September 30, 2023 March 30, 2024. Additionally, the Company had electricity forward purchase commitments totaling \$7 \$5 million through July 2025, as of September 30, 2023 March 30, 2024. The Company does not measure its forward purchase commitments for fuel and electricity at fair value, as the amounts under contract meet the physical delivery criteria in the normal purchase exception.

Legal Proceedings—The Company is subject to a number of legal proceedings arising in the normal course of business. These legal proceedings, whether pending, threatened or unasserted, if decided adversely to or settled by the Company, may result in liabilities material to its financial position, results of operations, or cash flows. The Company has recognized provisions with respect to the proceedings, where appropriate, in its Consolidated Balance Sheets. It is possible that the Company could settle one or more of these proceedings or could be required to make expenditures, in excess of the established provisions, in amounts that cannot be reasonably estimated. However, the Company, at present, believes that the ultimate outcome of these proceedings will not have a material adverse effect on its consolidated financial position, results of operations or cash flows.

19.17. BUSINESS INFORMATION

The Company's consolidated results represent the results of its one business segment based on how the Company's chief operating decision maker, our Chief Executive Officer, views the business for purposes of evaluating performance and making operating decisions.

The Company markets, sells and distributes fresh, frozen and dry food and non-food products to foodservice customers throughout the U.S. The Company uses a centralized management structure, and its strategies and initiatives are implemented and executed consistently across the organization to maximize value to the organization as a whole. The Company uses shared resources for sales, procurement, and general and administrative activities across each of its distribution facilities and operations. The Company's distribution facilities form a single network to reach its customers; it is common for a single customer to make purchases from several different distribution facilities. Capital projects, whether for cost savings or generating incremental revenue, are evaluated based on estimated economic returns to the organization as a whole.

18. SUBSEQUENT EVENTS

IWC Food Service Acquisition - On April 5, 2024, the Company completed the acquisition of IWC Food Service for approximately \$220 million. The acquisition will allow US Foods to further expand its reach into Tennessee and distribution channels to the southeast

United States. The acquisition was a stock acquisition funded with cash on hand. The Company is in the process of measuring the acquired assets and assumed liabilities as of the acquisition date.

18

16

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

(Dollar amounts in tables presented in millions, unless otherwise noted)

The following discussion and analysis should be read together with the accompanying unaudited consolidated financial statements and the notes thereto included in this Quarterly Report and the audited consolidated financial statements and the notes thereto in the 2022 2023 Annual Report. The following discussion and analysis contain certain financial measures that are not required by or presented in accordance with GAAP. We believe these non-GAAP measures provide meaningful supplemental information about our operating performance and liquidity. Information regarding reconciliations of and the rationale for these measures is discussed under "Non-GAAP Reconciliations" below. Results of operations for the 13 weeks and 39 weeks ended September 30, 2023 March 30, 2024 are compared to the 13 weeks and 39 weeks ended October 1, 2022 April 1, 2023, unless specifically noted otherwise.

Overview

At US Foods, we strive to inspire and empower chefs and foodservice operators to bring great food experiences to consumers. This mission is supported by our strategy of **GREAT FOOD. MADE EASY.**™, which is centered on providing customers with the innovative products, business support and technology solutions they need to operate their businesses profitably. We operate as one business with standardized business processes, shared systems infrastructure, and an organizational model that optimizes national scale with local execution, allowing us to manage our business as a single operating segment. We have centralized activities where scale matters and our local field structure focuses on customer-facing activities.

We supply approximately 250,000 customer locations nationwide. These customer locations include independent restaurants, chain restaurants, healthcare, hospitality, education and other customers. We provide more than 400,000 fresh, frozen, and dry food stock-keeping units, or SKUs, as well as non-food items, sourced from approximately 6,000 thousands of suppliers. Approximately 4,000 sales associates manage customer relationships at local, regional, and national levels. Our sales associates are supported by sophisticated marketing and category management capabilities, as well as a sales support team that includes world-class chefs and restaurant operations consultants, new business development managers and others that help us provide more comprehensive service to our customers. Our extensive network of over 70 distribution facilities and fleet of approximately over 6,500 trucks, along with more than 85 over 90 cash and carry locations, allow us to operate efficiently and provide high levels of customer service. This operating model allows us to leverage our nationwide scale and footprint while executing locally.

Our operations, our industry and the U.S. economy continue to be impacted by higher than normal inflation, supply chain disruptions, and labor shortages. These factors also influence the buying patterns of our customers and potentially impact consumer confidence and spending. We are unable to predict the extent these factors will continue to impact our results of operations, however we continue to actively monitor these risks to our business. For the 13 weeks ended September 30, 2023 March 30, 2024, net sales increased, with a total case volume increase of 4.0% 4.2% compared to the prior year driven by a 5.8% 4.6% increase in independent restaurant case volume, a 7.7% 6.4% increase in healthcare volume, and a 5.8% 0.9% increase in hospitality volume partially offset by a 3.6% decrease in chain volume. For the 39 weeks ended September 30, 2023, net sales increased, with a total case volume increase of 4.0% compared to the prior year driven by a 6.1% increase in independent restaurant case volume, a 6.8% increase in healthcare volume and a 9.9% 3.7% increase in hospitality volume, partially offset by a 2.7% decrease in chain volume. Total organic case volume increased 3.4% 1.4% for the 13 weeks ended September 30, 2023 March 30, 2024 which includes 5.0% organic independent restaurant case volume growth. Total organic case volume increased 3.8% for the 39 weeks ended September 30, 2023 which includes 5.8% 2.9% organic independent restaurant case volume growth.

Operating Metrics

Case growth—Case growth, by customer type (e.g., independent restaurants) is reported as of a point in time. Customers periodically are reclassified, based on changes in size or other characteristics, and when those changes occur, the respective customer's historical volume

follows its is included within the new classification.

Organic growth—Organic growth includes growth from operating businesses that have been reflected in our results of operations for at least 12 months.

Highlights

For the 13 weeks and 39 weeks ended September 30, 2023 March 30, 2024, compared to the same period a year ago, total case volume increased 4.0% and 4.0%, respectively, 4.2% and independent restaurant case volume increased 5.8% and 6.1%, respectively, 4.6%. For the 13 weeks and 39 weeks ended September 30, 2023 March 30, 2024, compared to the same period a year ago, total organic case volume increased 3.4% and 3.8%, 1.4%, respectively, and independent case volume increased 5.0% and 5.8%, respectively. For the 13 weeks and 39 weeks ended September 30, 2023, organic independent restaurant case growth was negatively impacted 0.8%, 2.9% and 0.8%, respectively, from slower growth in CHEF'STORE. Net sales increased \$189 million, or 2.1%, for the 13 weeks ended September 30, 2023, driven primarily by case volume growth, partially offset by food cost deflation of 1.3%. Net sales increased \$1,119 \$407 million, or 4.4% 4.8%, for the 39 weeks ended September 30, 2023 March 30, 2024, driven primarily by case volume growth and food cost inflation of 0.6% for the 39 weeks ended September 30, 2023 1.5%.

19

Gross profit increased \$82 \$70 million, or 5.6% 4.9%, to \$1,542 \$1,495 million for the 13 weeks ended September 30, 2023 and increased \$520 million, or 12.9%, to \$4,558 million for the 39 weeks ended September 30, 2023 March 30, 2024. For both the 13 weeks and 39 weeks ended September 30, 2023, these The increase were due to was primarily as a result of an increase in total organic case volume, and improved cost of goods sold, optimization. For the 39 weeks ended September 30, 2023, these increases were also attributed to freight income from improved inbound logistics impact of acquisitions and optimized pricing. pricing optimization, partially offset by an unfavorable year-over-year LIFO adjustment. Gross profit was negatively impacted by a LIFO expense of \$37 million and \$42 million \$45 million for the 13 weeks ended March 30, 2024 and 39 weeks ended September 30, 2023 and \$6 million and \$143 million \$20 million for the 13 weeks and 39 weeks ended October 1, 2022 April 1, 2023, respectively. As a percentage of net sales, gross profit was 16.9% 16.7% for both the 13 weeks ended September 30, 2023, compared to 16.4% for March 30, 2024 and the prior year period and was 17.1% for the 39 weeks ended September 30, 2023, compared to 15.8% for the prior year period.

April 1, 2023.

Total operating expenses increased \$66 \$92 million, or 5.3% 7.4%, to \$1,312 \$1,330 million for the 13 weeks ended September 30, 2023 and increased \$179 million, or 4.9%, to \$3,819 million for the 39 weeks ended September 30, 2023 March 30, 2024. Operating expenses increased primarily due to increased total as a result of an increase in organic case volume, higher distribution costs, reflecting increased labor costs, the impact of acquisitions and higher seller compensation costs. These increases were incremental costs to serve our customers during January labor disruptions, partially offset by lower distribution cost per case from cost savings initiatives including routing improvements and focused efforts positively impacting labor turnover and productivity as well as lower fuel costs. continued productivity improvement. As a percentage of net sales, operating expenses were 14.4% 14.9% for the 13 weeks ended September 30, 2023 March 30, 2024, compared to 14.0% 14.5% for the prior year period and were 14.3% for the 39 weeks ended September 30, 2023 and the comparable period in the prior year period.

2017

Results of Operations

The following table presents selected historical results of operations for the periods indicated:

| | 13 Weeks Ended | | 39 Weeks Ended | |
|--|--|-----------------|--------------------|-----------------|
| | September 30, 2023 | October 1, 2022 | September 30, 2023 | October 1, 2022 |
| Consolidated Statements of Operations Data: | | | | |
| | | | | |
| 13 Weeks Ended | | | | |
| 13 Weeks Ended | | | | |
| 13 Weeks Ended | | | | |
| March 30, 2024 | | | | |
| March 30, 2024 | | | | |
| March 30, 2024 | | | | |
| Consolidated Statements of Operations: | | | | |
| Consolidated Statements of Operations: | | | | |
| Consolidated Statements of Operations: | | | | |
| Net sales | | | | |
| Net sales | | | | |
| Net sales | Net sales | \$ 9,106 | \$ 8,917 | \$ 26,661 |
| Cost of goods sold | Cost of goods sold | 7,564 | 7,457 | 22,103 |
| Cost of goods sold | | | | |
| Cost of goods sold | | | | |
| Gross profit | | | | |
| Gross profit | Gross profit | 1,542 | 1,460 | 4,558 |
| Operating expenses: | Operating expenses: | | | 4,038 |
| Operating expenses: | | | | |
| Distribution, selling and administrative costs | Distribution, selling and administrative costs | 1,312 | 1,246 | 3,819 |
| Distribution, selling and administrative costs | | | | 3,640 |
| Distribution, selling and administrative costs | | | | |
| Restructuring costs and other asset impairment costs | | | | |
| Restructuring costs and other asset impairment costs | | | | |
| Restructuring costs and other asset impairment costs | | | | |

| | | | | | |
|--|---|-------|--------|--------|--------|
| Total operating expenses | | | | | |
| Total operating expenses | | | | | |
| Total operating expenses | Total operating expenses | 1,312 | 1,246 | 3,819 | 3,640 |
| Operating income | Operating income | 230 | 214 | 739 | 398 |
| Operating income | | | | | |
| Operating income | | | | | |
| Other income—net | Other income—net | (1) | (5) | (4) | (16) |
| Interest expense—net | Interest expense—net | 81 | 65 | 244 | 180 |
| Loss on extinguishment of debt | | 21 | — | 21 | — |
| Interest expense—net | | | | | |
| Interest expense—net | | | | | |
| Income before income taxes | Income before income taxes | 129 | 154 | 478 | 234 |
| Income tax (benefit) provision | | 34 | 45 | 119 | 62 |
| Income before income taxes | | | | | |
| Income before income taxes | | | | | |
| Income tax provision | | | | | |
| Income tax provision | | | | | |
| Income tax provision | | | | | |
| Net income | Net income | 95 | 109 | 359 | 172 |
| Series A Preferred Stock Dividends (see Note 13) | | | | | |
| Net income | | — | (9) | (7) | (27) |
| Net income | | | | | |
| Series A Preferred Stock Dividends | | | | | |
| Series A Preferred Stock Dividends | | | | | |
| Series A Preferred Stock Dividends | | | | | |
| Net income available to common shareholders | | | | | |
| Net income available to common shareholders | | | | | |
| Net income available to common shareholders | Net income available to common shareholders | \$ 95 | \$ 100 | \$ 352 | \$ 145 |
| Percentage of Net Sales: | Percentage of Net Sales: | | | | |
| Percentage of Net Sales: | | | | | |
| Gross profit | | | | | |

| | | | | | | | | | |
|------------------------------------|---------------------------------|--------|---|--------|---|--------|---|--------|---|
| Gross profit | | | | | | | | | |
| Gross profit | Gross profit | 16.9 | % | 16.4 | % | 17.1 | % | 15.8 | % |
| Operating expenses | Operating expenses | 14.4 | % | 14.0 | % | 14.3 | % | 14.3 | % |
| Operating expenses | | | | | | | | | |
| Operating income | | | | | | | | | |
| Operating income | Operating income | 2.5 | % | 2.4 | % | 2.8 | % | 1.6 | % |
| Net income | Net income | 1.0 | % | 1.2 | % | 1.3 | % | 0.7 | % |
| Net income | | | | | | | | | |
| Net income | | | | | | | | | |
| Adjusted EBITDA ⁽¹⁾ | | | | | | | | | |
| Adjusted EBITDA ⁽¹⁾ | | | | | | | | | |
| Adjusted EBITDA ⁽¹⁾ | Adjusted EBITDA ⁽¹⁾ | 4.4 | % | 3.9 | % | 4.4 | % | 3.8 | % |
| Other Data: | Other Data: | | | | | | | | |
| Other Data: | | | | | | | | | |
| Other Data: | | | | | | | | | |
| Cash flows—operating activities | | | | | | | | | |
| Cash flows—operating activities | | | | | | | | | |
| Cash flows—operating activities | Cash flows—operating activities | \$ 282 | | \$ 354 | | \$ 935 | | \$ 613 | |
| Cash flows—investing activities | Cash flows—investing activities | (195) | | (57) | | (301) | | (197) | |
| Cash flows—investing activities | | | | | | | | | |
| Cash flows—investing activities | | | | | | | | | |
| Cash flows—financing activities | | | | | | | | | |
| Cash flows—financing activities | | | | | | | | | |
| Cash flows—financing activities | Cash flows—financing activities | (120) | | (128) | | (499) | | (198) | |
| Capital expenditures | Capital expenditures | 59 | | 58 | | 167 | | 201 | |
| Capital expenditures | | | | | | | | | |
| Capital expenditures | | | | | | | | | |
| EBITDA ⁽¹⁾ | | | | | | | | | |
| EBITDA ⁽¹⁾ | | | | | | | | | |
| EBITDA ⁽¹⁾ | EBITDA ⁽¹⁾ | 307 | | 311 | | 1,012 | | 687 | |
| Adjusted EBITDA ⁽¹⁾ | Adjusted EBITDA ⁽¹⁾ | 402 | | 351 | | 1,171 | | 960 | |
| Adjusted net income ⁽¹⁾ | | 174 | | 151 | | 498 | | 400 | |
| Free cash flow ⁽²⁾ | | 223 | | 296 | | 768 | | 412 | |

Adjusted EBITDA⁽¹⁾
Adjusted EBITDA⁽¹⁾
Adjusted EBITDA Margin⁽¹⁾
Adjusted EBITDA Margin⁽¹⁾
Adjusted EBITDA Margin⁽¹⁾
Adjusted Net Income⁽¹⁾
Adjusted Net Income⁽¹⁾
Adjusted Net Income⁽¹⁾
Free Cash Flow⁽²⁾
Free Cash Flow⁽²⁾
Free Cash Flow⁽²⁾

(1) EBITDA is defined as net income, plus interest expense—net, income tax provision, and depreciation and amortization. Adjusted EBITDA is defined as EBITDA adjusted for: (1) restructuring costs and asset impairment charges; (2) share-based compensation expense; (3) the impact of LIFO reserve adjustments; (4) loss on extinguishment of debt; (5) business transformation costs; and (6) other gains, losses, or costs as specified in the agreements governing our indebtedness. Adjusted EBITDA Margin is Adjusted EBITDA divided by total net income sales. Adjusted Net Income is defined as net income excluding the items used to calculate Adjusted EBITDA listed above except for amortization expense, and further adjusted for the tax effect of the exclusions and discrete tax items. EBITDA, Adjusted EBITDA, and Adjusted net income Net Income as presented are supplemental measures of our performance that are not required by, or presented in accordance with, GAAP. They are not measurements of our performance under GAAP and should not be considered as alternatives to net income or any other performance measures derived in accordance with GAAP. For additional information, see the discussion under the caption "Non-GAAP Reconciliations" below.

(2) Free cash flow Cash Flow is defined as cash flows provided by operating activities and proceeds from sales of property and equipment less cash capital expenditures. Free cash flow Cash Flow as presented is a supplemental measure of our liquidity that is not required by, or presented in accordance with, GAAP. It is not a measure of our liquidity under GAAP and should not be considered as an alternative to cash flows provided by operating activities or any other liquidity measures derived in accordance with GAAP. For additional information, see the discussion under the caption "Non-GAAP Reconciliations" below.

21 18

Non-GAAP Reconciliations

We provide EBITDA, Adjusted EBITDA, Adjusted net income EBITDA Margin, Adjusted Net Income and Free cash flow Cash Flow as supplemental measures to GAAP financial measures regarding our operating performance and liquidity. These non-GAAP financial measures, as defined above, exclude the impact of certain items and, therefore, have not been calculated in accordance with GAAP.

We believe EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin provide meaningful supplemental information about our operating performance because they exclude amounts that we do not consider part of our core operating results when assessing our performance.

We believe that Adjusted net income Net Income is a useful measure of operating performance for both management and investors because it excludes items that are not reflective of our core operating performance and provides an additional view of our operating performance including depreciation, interest expense and income taxes on a consistent basis from period to period. We believe that Adjusted net income Net Income may be used by investors, analysts and other interested parties to facilitate period-over-period comparisons and provides additional clarity as to how factors and trends impact our operating performance.

Management uses these non-GAAP financial measures (1) to evaluate our historical and prospective financial performance as well as our performance relative to our competitors as they assist in highlighting trends, (2) to set internal sales targets and spending budgets, (3) to measure operational profitability and the accuracy of forecasting, (4) to assess financial discipline over operational expenditures, and (5) as an important factor in determining variable compensation for management and employees. EBITDA and Adjusted EBITDA are also used in connection with certain covenants and activity restrictions under the agreements governing our indebtedness. We also believe these and similar non-GAAP financial measures are frequently used by securities analysts, investors, and other interested parties to evaluate companies in our industry. EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin and Adjusted net income Net Income are not measurements of our performance under GAAP and should not be considered as alternatives to net income or any other performance measures derived in accordance with GAAP.

We use Free cash flow Cash Flow as a supplemental measure to GAAP financial measures regarding the liquidity of our operations. We measure Free cash flow Cash Flow as cash flows provided by operating activities and proceeds from sales of property and equipment less cash capital

expenditures. We believe that Free cash flow Cash Flow is a useful financial metric to assess our ability to pursue business opportunities and investments. Free cash flow Cash Flow is not a measure of our liquidity under GAAP and should not be considered as an alternative to cash flows provided by operating activities or any other liquidity measures derived in accordance with GAAP.

We caution readers that amounts presented in accordance with our definitions of EBITDA, Adjusted EBITDA, Adjusted net income, EBITDA Margin, Adjusted Net Income, and Free cash flow Cash Flow may not be the same as similar measures used by other companies. Not all companies and analysts calculate EBITDA, Adjusted EBITDA, Adjusted net income EBITDA Margin, Adjusted Net Income or Free cash flow Cash Flow in the same manner. We compensate for these limitations by using these non-GAAP financial measures as supplements to GAAP financial measures and by presenting the reconciliations of the non-GAAP financial measures to their most comparable GAAP financial measures.

2219

The following table reconciles EBITDA, Adjusted EBITDA, Adjusted net income EBITDA Margin, Adjusted Net Income and Free cash flow Cash Flow to the most directly comparable GAAP financial performance and liquidity measures for the periods indicated:

| | 13 Weeks Ended | | 39 Weeks Ended | |
|--|-----------------------|-----------------|-----------------------|-----------------|
| | September 30, 2023 | October 1, 2022 | September 30, 2023 | October 1, 2022 |
| Net income available to common shareholders | \$ 95 | \$ 100 | \$ 352 | \$ 145 |
| Series A Preferred Stock Dividends (see Note 13) | — | (9) | (7) | (27) |
| | 13 Weeks Ended | | 13 Weeks Ended | |
| | 13 Weeks Ended | | 13 Weeks Ended | |
| | 13 Weeks Ended | | 13 Weeks Ended | |
| | March 30, 2024 | | March 30, 2024 | |
| | March 30, 2024 | | March 30, 2024 | |
| Net income available to common shareholders and net income margin | | | | |
| Net income available to common shareholders and net income margin | | | | |
| Net income available to common shareholders and net income margin | | | | |
| Series A Preferred Stock Dividends | | | | |
| Series A Preferred Stock Dividends | | | | |
| Series A Preferred Stock Dividends | | | | |
| Net income | Net income | 95 | 109 | 359 |
| Interest expense—net | Interest expense—net | 81 | 65 | 244 |
| Interest expense—net | | | | |
| Interest expense—net | | | | |

| | | | | | |
|---|---|------------|------------|-------------|------------|
| Income tax provision | | | | | |
| Income tax provision | | | | | |
| Income tax provision | Income tax provision | 34 | 45 | 119 | 62 |
| Depreciation expense | Depreciation expense | 85 | 81 | 256 | 240 |
| Depreciation expense | | | | | |
| Depreciation expense | | | | | |
| Amortization expense | Amortization expense | 12 | 11 | 34 | 33 |
| EBITDA | | 307 | 311 | 1012 | 687 |
| Amortization expense | | | | | |
| Amortization expense | | | | | |
| EBITDA and EBITDA Margin | | | | | |
| EBITDA and EBITDA Margin | | | | | |
| EBITDA and EBITDA Margin | | | | | |
| Adjustments: | | | | | |
| Adjustments: | | | | | |
| Adjustments: | Adjustments: | | | | |
| Restructuring costs and asset impairment charges ⁽¹⁾ | Restructuring costs and asset impairment charges ⁽¹⁾ | 2 | — | 2 | — |
| Restructuring costs and asset impairment charges ⁽¹⁾ | | | | | |
| Restructuring costs and asset impairment charges ⁽¹⁾ | | | | | |
| Share-based compensation expense ⁽²⁾ | | | | | |
| Share-based compensation expense ⁽²⁾ | | | | | |
| Share-based compensation expense ⁽²⁾ | Share-based compensation expense ⁽²⁾ | 15 | 13 | 43 | 34 |
| LIFO reserve adjustment ⁽³⁾ | LIFO reserve adjustment ⁽³⁾ | 37 | 6 | 42 | 143 |
| Loss on extinguishment of debt ⁽⁴⁾ | | 21 | — | 21 | — |
| Business transformation costs ⁽⁵⁾ | | 9 | 12 | 16 | 41 |
| Business acquisition and integration related costs and other ⁽⁶⁾ | | 11 | 9 | 35 | 53 |
| COVID-19 other related expenses ⁽⁷⁾ | | — | — | — | 2 |
| Adjusted EBITDA | | 402 | 351 | 1171 | 960 |
| LIFO reserve adjustment ⁽³⁾ | | | | | |
| LIFO reserve adjustment ⁽³⁾ | | | | | |
| Business transformation costs ⁽⁴⁾ | | | | | |

| | | | | | | |
|---|--------------------------------------|--------|--------|--------|--------|--|
| Business transformation costs ⁽⁴⁾ | | | | | | |
| Business transformation costs ⁽⁴⁾ | | | | | | |
| Business acquisition and integration related costs and other ⁽⁵⁾ | | | | | | |
| Business acquisition and integration related costs and other ⁽⁵⁾ | | | | | | |
| Business acquisition and integration related costs and other ⁽⁵⁾ | | | | | | |
| Adjusted EBITDA and Adjusted EBITDA Margin | | | | | | |
| Adjusted EBITDA and Adjusted EBITDA Margin | | | | | | |
| Adjusted EBITDA and Adjusted EBITDA Margin | | | | | | |
| Depreciation expense | | | | | | |
| Depreciation expense | | | | | | |
| Depreciation expense | Depreciation expense | (85) | (81) | (256) | (240) | |
| Interest expense —net | Interest expense —net | (81) | (65) | (244) | (180) | |
| Income tax provision, as adjusted ⁽⁶⁾ | | (62) | (54) | (173) | (140) | |
| Adjusted net income | \$ 174 | \$ 151 | \$ 498 | \$ 400 | | |
| Interest expense—net | | | | | | |
| Interest expense—net | | | | | | |
| Income tax provision, as adjusted ⁽⁶⁾ | | | | | | |
| Income tax provision, as adjusted ⁽⁶⁾ | | | | | | |
| Income tax provision, as adjusted ⁽⁶⁾ | | | | | | |
| Adjusted Net Income | | | | | | |
| Adjusted Net Income | | | | | | |
| Adjusted Net Income | | | | | | |
| Cash flow | | | | | | |
| Cash flow | | | | | | |
| Cash flow | Cash flow | | | | | |
| Cash flows from operating activities | Cash flows from operating activities | \$ 282 | \$ 354 | \$ 935 | \$ 613 | |
| Cash flows from operating activities | | | | | | |
| Cash flows from operating activities | | | | | | |
| Proceeds from sales of property and equipment | | | | | | |
| Proceeds from sales of property and equipment | | | | | | |
| Proceeds from sales of property and equipment | | | | | | |

| | | | | | |
|----------------------|----------------------|--------|--------|--------|--------|
| Capital expenditures | Capital expenditures | (59) | (58) | (167) | (201) |
| Free cash flow | | \$ 223 | \$ 296 | \$ 768 | \$ 412 |
| Capital expenditures | | | | | |
| Capital expenditures | | | | | |
| Free Cash Flow | | | | | |
| Free Cash Flow | | | | | |
| Free Cash Flow | | | | | |

(1) Consists primarily of severance and related costs, organizational realignment costs and **other** asset impairment charges charges.

(2) Share-based compensation expense for expected vesting of stock awards and employee stock purchase plan plan.

(3) Represents the impact of LIFO reserve adjustments.

(4) **Includes early redemption premium and the write-off of certain pre-existing debt issuance costs. See Note 10, Debt, in our consolidated financial statements for additional information**

(5) Transformational costs represent non-recurring expenses prior to formal launch of strategic projects with anticipated long-term benefits to the Company. These costs generally relate to third party consulting and non-capitalizable construction or technology. For the 13 weeks and 39 weeks ended **September 30, 2023** **March 30, 2024**, business transformation costs related to projects associated with information technology infrastructure initiatives, and workforce efficiencies. For the 13 weeks and 39 weeks ended **October 1, 2022** **April 1, 2023**, business transformation costs consist of new facility openings, related to projects associated with several supply chain strategy improvements, and information technology infrastructure initiatives.

(6)(5) Includes: (i) aggregate acquisition and integration related costs of **\$10 million** **\$3 million** and **\$6 million** **\$4 million** for the 13 weeks ended **September 30, 2023** **March 30, 2024** and **October 1, 2022** **April 1, 2023**, respectively, and **\$31 million** and **\$18 million** for the 39 weeks ended **September 30, 2023** and **October 1, 2022**, respectively; respectively; (ii) CEO sign on bonus of **\$3 million** **\$3 million** for the **39** **13** weeks ended **September 30, 2023** **April 1, 2023** and (iii) contested proxy and related legal and consulting costs of **\$21 million** for the 39 weeks ended **October 1, 2022**, and (iv) CEO severance for **\$5 million** for the 39 weeks ended **October 1, 2022** and (v) other gains, losses or costs that we are permitted to addback for purposes of calculating Adjusted EBITDA under certain agreements governing our indebtedness.

(7) **Includes COVID-19 related costs that we are permitted to addback for purposes of calculating Adjusted EBITDA under certain agreements governing our indebtedness.**

(8)(6) Represents our income tax provision adjusted for the tax effect of pre-tax items excluded from Adjusted **net income** **Net Income** and the removal of applicable discrete tax items. Applicable discrete tax items include changes in tax laws or rates, changes related to prior year unrecognized tax benefits, discrete changes in valuation allowances, and excess tax benefits associated with share-based compensation. The tax effect of pre-tax items excluded from Adjusted **net income** **Net Income** is computed using a statutory tax rate after taking into account the impact of permanent differences and valuation allowances.

23

A reconciliation between the GAAP income tax provision and the income tax provision, as adjusted, is as follows:

| | 13 Weeks Ended | | 39 Weeks Ended | |
|---------------------------|--------------------|-----------------|--------------------|-----------------|
| | September 30, 2023 | October 1, 2022 | September 30, 2023 | October 1, 2022 |
| 13 Weeks Ended | | | | |
| 13 Weeks Ended | | | | |
| 13 Weeks Ended | | | | |
| March 30, 2024 | | | | |
| March 30, 2024 | | | | |
| March 30, 2024 | | | | |
| GAAP income tax provision | | | | |
| GAAP income tax provision | | | | |
| GAAP income tax provision | \$ 34 | \$ 45 | \$ 119 | \$ 62 |

| | | | | | |
|--|--|-------|-------|--------|--------|
| Tax impact of pre-tax income adjustments | Tax impact of pre-tax income adjustments | 27 | 11 | 47 | 75 |
| Tax impact of pre-tax income adjustments | | | | | |
| Tax impact of pre-tax income adjustments | | | | | |
| Discrete tax items | | | | | |
| Discrete tax items | | | | | |
| Discrete tax items | Discrete tax items | 1 | (2) | 7 | 3 |
| Income tax provision, as adjusted | Income tax provision, as adjusted | \$ 62 | \$ 54 | \$ 173 | \$ 140 |
| Income tax provision, as adjusted | | | | | |
| Income tax provision, as adjusted | | | | | |

20

Comparison of Results

13 Weeks Ended September 30, 2023 March 30, 2024 and October 1, 2022 April 1, 2023

Highlights

- Net income decreased \$14 million to \$95 remained flat at \$82 million in 2023, 2024.
- Adjusted EBITDA increased \$51 \$19 million, or 14.5% 5.6%, to \$402 million \$356 million in 2023, 2024. As a percentage of net sales, Adjusted EBITDA was 4.4% 4.0% in 2023, 2024, compared to 3.9% in 2022, 2023.
- Net sales increased \$189 million \$407 million, or 2.1% 4.8%, to \$9,106 million \$8,949 million in 2023, 2024.
- Total case volume increased 4.0% 4.2% and independent restaurant case volume increased 5.8% 4.6%.
- Total organic case volume increased 3.4% 1.4% and organic independent restaurant case volume increased 5.0% 2.9%.
- Operating income increased \$16 decreased \$22 million, to \$230 \$165 million in 2023, 2024.

Net Sales

Net sales increased \$189 million, \$407 million or 2.1% 4.8%, to \$9,106 million \$8,949 million in 2023, 2024 driven by case volume growth and contributions from the Renzi Foodservice acquisition, partially offset by food cost deflation inflation of 1.3% 1.5%. Total case volume increased 4.0% 4.2% driven by a 5.8% 4.6% increase in independent restaurant case volume, a 5.8% 0.9% increase in hospitality volume, and a 7.7% 6.4% increase in healthcare volume offset by and a 3.6% decrease 3.7% increase in chain volume. Total organic case volume increased 3.4% 1.4% and organic independent restaurant case volume increased 5.0% 2.9%. Independent restaurant case growth was negatively impacted 0.8% from slower growth in CHEF'STORE. Broadline independent case growth was 6.6%. Sales of private brands represented approximately 34% 33% of net sales in both 2023, 2024 and 2022, 2023.

Gross Profit

Gross profit increased \$82 million, or 5.6%, to \$1,542 million in 2023 primarily as a result of an increase in total organic case volume, and improved cost of goods sold, the impact of acquisitions and pricing optimization, partially offset by an unfavorable year-over-year LIFO adjustment. Our LIFO method of inventory costing resulted in an expense of \$37 million in 2023 compared to expense of \$6 million in 2022, related to a reduction in inventory values in 2023, driven by inflation in multiple product categories, including beef and poultry. Gross profit as a percentage of net sales was 16.9% in 2023, compared to 16.7% in 2024, both 2024 and 2023. Gross profit as a percentage of net sales in 2022, 2024 is due to the aforementioned factors.

Operating Expenses

Operating expenses, comprised of distribution, selling and administrative costs, increased \$66 million, or 5.3%, to \$1,312 million in 2023. Operating expenses as a percentage of net sales were 14.4% in 2023, compared to 14.0% in 2022. Operating expenses increased primarily due to increased total as a result of an increase in organic case volume, higher distribution costs, reflecting increased labor costs, the impact of acquisitions and higher seller compensation costs. These increases were incremental costs to serve our customers during January labor disruptions, partially offset by lower distribution cost per case from cost savings initiatives including routing improvements and focused efforts positively impacting labor turnover and continued productivity as well as lower fuel costs, improvement.

Operating Income

Our operating income was \$230 million in 2023, compared to operating income of \$214 million in 2022. The increase in operating income was due to the factors discussed in the relevant sections above.

Other Income—Net

Other income—net includes components of net periodic pension benefit credits, exclusive of the service cost component associated with our defined benefit and other postretirement plans. We recognized other income—net of \$1 million in both 2024 and \$5 million in 2023 and

24

2022, respectively. The decrease in other income-net is due primarily to a decrease in the expected return on pension assets compared to 2022. 2023.

Interest Expense—Net

Interest expense—net increased \$16 million to \$81 million in 2023 primarily due to an increase in the interest rates, associated with the unrecognized tax benefit recorded as a result of the expiration of various statutes of limitations, partially offset by lower outstanding debt in 2023 compared to 2022, higher average interest rates.

Income Taxes

For the 13 weeks ended September 30, 2023, the Company's effective income tax rate of 27% differed from the 21% federal corporate income tax rate primarily as a result of state income taxes and the recognition of various discrete tax items. The discrete tax items were not material individually or in the aggregate. For the 13 weeks ended October 1, 2022, our effective income tax rate of 29% differed from the 21% federal corporate income tax rate primarily as a result of state income taxes and the recognition of various discrete tax items. These discrete tax items included a tax expense of \$2 million primarily related to a tax benefit shortfall associated with share-based compensation.

Net Income

Our net income was \$95 million in 2023, compared to a net income of \$109 million in 2022. The decrease in net income was due to the relevant factors discussed above.

39 Weeks Ended September 30, 2023 and October 1, 2022

Highlights

- Net income increased \$187 million to \$359 million in 2023.

- Adjusted EBITDA increased \$211 million or 22.0%, to \$1,171 million in 2023. As a percentage of net sales, Adjusted EBITDA was 4.4% in 2023, compared to 3.8% in 2022.
- Net sales increased \$1,119 million, or 4.4%, to \$26,661 million in 2023.
- Total case volume increased 4.0% and independent restaurant case volume increased 6.1%.
- Total organic case volume increased 3.8% and organic independent restaurant case volume increased 5.8%.
- Operating income increased \$341 million, to \$739 million in 2023.

Net Sales

Net sales increased \$1,119 million, or 4.4%, to \$26,661 million in 2023 driven by case growth and food cost inflation of 0.6%. Total case volume increased 4.0% driven by a 6.1% increase in independent restaurant case volume, a 9.9% increase in hospitality volume and a 6.8% increase in healthcare volume, partially offset by a 2.7% decrease in chain volume. Total organic case volume increased 3.8% and organic independent restaurant case volume increased 5.8%. Independent restaurant case growth was negatively impacted 0.8% from slower growth in CHEF'STORE. Broadline independent restaurant case growth was 6.9%. Sales of private brands represented approximately 34% of net sales in both 2023 and 2022.

Gross Profit

Gross profit increased \$520 million, or 12.9%, to \$4,558 million in 2023 primarily as a result of an increase in total case volume, cost of goods sold optimization, increased freight income from improved inbound logistics, optimized pricing and a favorable year-over-year LIFO adjustment. Our LIFO method of inventory costing resulted in an expense of \$42 million in 2023, compared to expense of \$143 million in 2022. 2023 LIFO expense is driven by a reduction in inventory values in multiple categories. Gross profit as a percentage of net sales was 17.1% in 2023, compared to 15.8% in 2022, due to the aforementioned factors.

Operating Expenses

Operating expenses, comprised of distribution, selling and administrative costs, increased \$179 million, or 4.9%, to \$3,819 million in 2023. Operating expenses as a percentage of net sales were 14.3% in 2023, consistent with the same period in the prior year.. Operating expenses increased primarily due to increased total case volume and higher seller compensation costs. These increases were partially offset by lower distribution cost per case from cost savings initiatives including routing improvements and focused efforts positively impacting labor turnover and productivity as well as lower fuel costs.

25

Operating Income

Our operating income was \$739 million in 2023, compared to operating income of \$398 million in 2022. The increase in operating income was due to the factors discussed in the relevant sections above.

Other Income—Net

Other income—net includes components of net periodic pension benefit credits, exclusive of the service cost component associated with our defined benefit and other postretirement plans. We recognized other income—net of \$4 million and \$16 million in 2023 and 2022, respectively. The decrease in other income—net is due primarily to a decrease in the expected return on pension assets compared to 2022.

Interest Expense—Net

Interest expense—net increased \$64 million to \$244 million in 2023 primarily due to an increase in interest rates, partially offset by lower outstanding debt in 2023 compared to 2022.

Income Taxes

For the 39 weeks ended September 30, 2023, our effective income tax rate of 25% 6% differed from the 21% federal corporate income tax rate primarily as a result of state income taxes and the recognition of various discrete tax items. These discrete tax items included a tax benefit of \$15 million related to a decrease in an unrecognized tax benefit as a result of the expiration of the statute of limitations in several jurisdictions, a tax benefit of \$6 million, primarily related to excess tax benefits associated with share-based compensation and a tax benefit expense of \$4 million, \$3 million, primarily related to adjustments to prior year tax provision estimates. For the 39 13 weeks ended October 1, 2022 April 1, 2023, our effective income tax rate of 26% was equivalent to 23% differed from the 21% federal corporate income tax rate primarily as a result

21

of state income taxes and the recognition of various discrete tax items. These discrete tax items included a tax benefit of \$3 million, \$4 million primarily related to excess tax benefits associated with share-based compensation.

Net Income

Our net income was \$359 \$82 million in 2023, compared to a net income of \$172 million in 2022. The improvement in net income was due to the relevant factors discussed above. both periods for 2024 and 2023.

Liquidity and Capital Resources

Our ongoing operations and strategic objectives require working capital and continuing capital investment. Our primary sources of liquidity include cash provided by operations, as well as access to capital from bank borrowings and other types of debt and financing arrangements. As of September 30, 2023 March 30, 2024, the Company had approximately \$2.2 billion \$2.0 billion in cash and available liquidity.

Indebtedness

The aggregate outstanding balance of our indebtedness was \$4,686 million \$4,701 million, net of \$35 \$32 million of unamortized deferred financing costs, as of September 30, 2023 March 30, 2024.

We had no outstanding borrowings and had issued letters of credit totaling \$487 \$542 million under the ABL Facility as of September 30, 2023 March 30, 2024. There was remaining capacity of \$1,813 \$1,758 million under the ABL Facility as of September 30, 2023 March 30, 2024.

The 2019 Incremental Term Loan Facility had an outstanding balance of \$1,108 million \$1,102 million, net of \$12 million \$10 million of unamortized deferred financing costs, as of September 30, 2023 March 30, 2024.

The 2021 Incremental Term Loan Facility had an outstanding balance of \$718 million \$719 million, net of \$3 million of unamortized deferred financing costs, as of September 30, 2023 March 30, 2024.

The Unsecured Senior Notes due 2028 had an outstanding balance of \$495 million \$496 million, net of \$5 million \$4 million of unamortized deferred financing costs, as of September 30, 2023 March 30, 2024.

The Unsecured Senior Notes due 2029 had an outstanding balance of \$894 million, net of \$6 million of unamortized deferred financing costs, as of September 30, 2023 March 30, 2024.

The Unsecured Senior Notes due 2030 had an outstanding balance of \$496 million, net of \$4 million of unamortized deferred financing costs, as of September 30, 2023 March 30, 2024.

The Unsecured Senior Notes due 2032 had an outstanding balance of \$495 million, net of \$5 million of unamortized deferred financing costs, as of September 30, 2023 March 30, 2024.

We also had \$472 \$491 million of obligations under financing leases for transportation equipment and building leases as of September 30, 2023 March 30, 2024.

26

The ABL Facility will mature in 2027. The 2019 Incremental Term Loan Facility and the 2021 Incremental Term Loan Facility will mature in 2026 and 2028, respectively. The Unsecured Senior Notes due 2028, the Unsecured Senior Notes due 2029, the Unsecured Senior Notes due 2030 and the Unsecured Senior Notes due 2032 will mature in 2028, 2029, 2030 and 2032, respectively.

The agreements governing our indebtedness contain customary covenants. These include, among other things, covenants that restrict our ability to incur certain additional indebtedness, create or permit liens on our assets, pay dividends, or engage in mergers or consolidations. **USF** The Company had approximately **\$1.9** **\$2.0** billion of restricted payment capacity under these covenants and approximately \$2.8 billion of its net assets were restricted after taking into consideration the net deferred tax assets and intercompany balances that eliminate in consolidation as of **September 30, 2023** **March 30, 2024**.

We believe that the combination of cash generated from operations, together with borrowing capacity under the agreements governing our indebtedness and other financing arrangements, will be adequate to permit us to meet our debt service obligations, ongoing costs of operations, working capital needs, and capital expenditure requirements for the next 12 months.

Every quarter, we review rating agency changes for all of the lenders that have a continuing obligation to provide us with funding. We are not aware of any facts that indicate our lenders will not be able to comply with the contractual terms of their agreements with us. We continue to monitor the credit markets generally and the strength of our lender counterparties.

From time to time, we may repurchase or otherwise retire our debt and take other steps to reduce our debt or otherwise improve our leverage. These actions may include open market repurchases, negotiated repurchases, and other retirements of outstanding debt. The amount of debt that may be repurchased or otherwise retired, if any, will depend on market conditions, our debt trading levels, our cash position, and other considerations. Any potential debt reduction or other debt retirement could require significant use of our other available liquidity and capital resources.

See Note **10**, **9**, Debt, in our consolidated financial statements, for a further description of our indebtedness.

Cash Flows

The following table presents condensed highlights from our Consolidated Statements of Cash Flows for the periods presented:

| 13 Weeks Ended | | 13 Weeks Ended | |
|---|---|----------------|-----|
| March 30, 2024 | | March 30, 2024 | |
| | | April 1, 2023 | |
| | 39 Weeks Ended | | |
| | September October | | |
| | 30, 2023 1, 2022 | | |
| Net income | | | |
| Net income | | | |
| Net income | Net income \$ 359 | \$ 172 | |
| Changes in operating assets and liabilities | Changes in operating assets and liabilities | 188 | 124 |
| Other adjustments | Other adjustments | 388 | 317 |
| Net cash provided by operating activities | Net cash provided by operating activities | 935 | 613 |

| | | | |
|---|--|--------|--------|
| Net cash used in investing activities | Net cash used in investing activities | (301) | (197) |
| Net cash used in financing activities | Net cash used in financing activities | (499) | (198) |
| Net increase in cash, and cash equivalents and restricted cash | | 135 | 218 |
| Net (decrease) increase in cash, and cash equivalents and restricted cash | | | |
| Cash, cash equivalents and restricted cash—beginning of period | Cash, cash equivalents and restricted cash—beginning of period | 211 | 148 |
| Cash, cash equivalents and restricted cash—end of period | Cash, cash equivalents and restricted cash—end of period | \$ 346 | \$ 366 |

Operating Activities

Cash flows provided by operating activities was \$935 \$139 million for the 3913 weeks ended September 30, 2023 March 30, 2024, representing an increase a decrease of \$322 \$140 million as compared to cash flows provided by operating activities of \$613 \$279 million for the 3913 weeks ended October 1, 2022 driven by earnings growth and strong April 1, 2023, due to less working capital management benefit for the 3913 weeks ended September 30, 2023 March 30, 2024 compared to the 13 weeks ended April 1, 2023.

Investing Activities

During the 39 weeks ended September 30, 2023, the Company completed the asset acquisition of Renzi Foodservice. Total consideration consisted of cash of approximately \$142 million. In addition, cash flows used in investing activities in the 3913 weeks ended September 30, 2023 March 30, 2024 and October 1, 2022 April 1, 2023 included cash expenditures of \$167 \$87 million and \$201 \$61 million, respectively, on investments in information technology, property and equipment for fleet replacement and maintenance of distribution facilities.

We expect total cash capital expenditures in fiscal year 2023 2024 to be between \$290 \$325 million and \$310 million, exclusive of approximately \$120 million of capital expenditures under our fleet financing leases. \$375 million. We expect to fund our capital expenditures with available cash or cash generated from operations and through fleet financing.

Financing Activities

Cash flows used by financing activities in the 39 weeks ended September 30, 2023 March 30, 2024 included \$95 million \$31 million of scheduled payments under our Term Loan Facilities and financing leases, \$1 billion \$14 million for refinancing repricing of the Unsecured Senior Notes due 2025, \$10 million 2021 Term Loan Facility, \$1 million of financing fees related to the refinancing, \$65 million 2021 Term Loan Facility repricing and no net payments under the ABL Facility. Financing activities in the 13 weeks ended March 30, 2024 also included \$13 million common stock repurchased under the Share Repurchase Program, \$5 million of proceeds received from stock purchases under our employee stock purchase plan, \$5 million of proceeds from the exercise of employee stock options and \$20 million of employee tax withholdings paid in connection with the vesting of stock awards.

Cash flows used by financing activities in the 13 weeks ended April 1, 2023 included \$33 million of scheduled payments under our Term Loan Facilities and financing leases, \$65 million of voluntary prepayments of our 2021 Incremental Term Loan Facility, \$120 million of voluntary prepayments of our 2019 Incremental Term Loan Facility, \$3 million associated with interest rate cap purchases, \$7 million of dividends on our Series A Preferred Stock and no net payments under the ABL Facility. Financing activities in the 39 weeks ended September 30, 2023 April 1, 2023 also included \$229 \$34 million common stock repurchased under the Share Repurchase Program, \$2 million of excise tax associated with common stock repurchases, \$19 million \$5 million of proceeds received from stock purchases under our employee stock purchase plan and \$23 million \$7 million of proceeds from the exercise of employee stock options, which were offset by \$12 million of employee tax withholdings paid in connection with the vesting of stock awards.

We incurred approximately \$26 million total of lender fees and third party costs in connection with our issuance of the Unsecured Senior Notes due 2028 and the Unsecured Senior Notes due 2032, consisting of a \$16 million redemption premium related to the Secured Senior Notes due 2025 and \$10 million of costs associated with the issuance of the Unsecured Senior Notes due 2028 and the Unsecured Senior Notes due 2032, which were capitalized as deferred financing costs. We incurred approximately \$1 million total of lender fees and third party costs in connection with the repricing of the 2021 Incremental Term Loan Facility, which were capitalized as deferred financing costs.

Cash flows used by financing activities in the 39 weeks ended October 1, 2022 included \$80 million of scheduled payments under our Term Loan Facilities and financing leases, \$100 million of voluntary prepayments of our 2021 Incremental Term Loan Facility, \$27 million of dividends on our Series A Preferred Stock and no net payments under the ABL Facility. Financing activities in the 39 weeks ended October 1, 2022 also included \$17 million of proceeds received from stock purchases under our employee stock purchase plan and \$12 million of proceeds from the exercise of employee stock options, which were offset by \$16 million \$11 million of employee tax withholdings paid in connection with the vesting of stock awards.

Other Obligations and Commitments

There have been no material changes in the Company's cash obligations and commitments since the end of fiscal year 2022, 2023. Refer to Item 7 of our 2022, 2023 Annual Report for additional information regarding the Company's cash obligations and commitments as of the end of fiscal year 2022, 2023.

Retirement Plans

See Note 12, 11, Retirement Plans, in our consolidated financial statements for a description of our retirement plans.

Off-Balance Sheet Arrangements

We had \$487 million \$542 million of letters of credit outstanding primarily securing USF's the Company's obligations with respect to its insurance program and certain real estate leases, under the ABL Facility as of September 30, 2023 March 30, 2024.

Except as disclosed above, we have no off-balance sheet arrangements that currently have or are reasonably likely to have a material effect on our consolidated financial condition, changes in financial condition, results of operations, liquidity, capital expenditures or capital resources.

Critical Accounting Policies and Estimates

We have prepared the financial information in this Quarterly Report in accordance with GAAP. Preparing the Company's consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during these reporting periods. We base our estimates and judgments on historical experience and other factors we believe are reasonable under the circumstances. These assumptions form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Part II, Item 7—"Management's Discussion and Analysis of Financial Condition and Results of Operations" of the **2022** **2023** Annual Report includes a summary of the critical accounting policies we believe are the most important to aid in understanding our financial results. There have been no changes to those critical accounting policies that have had a material impact on our reported amounts of assets, liabilities, revenue, or expenses during the **39** **13** weeks ended **September 30, 2023** **March 30, 2024**.

Recent Accounting Pronouncements

For a discussion of recent accounting pronouncements, see Note 2, Recent Accounting Pronouncements, in our consolidated financial statements.

28

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are exposed to certain risks arising from both our business operations and overall economic conditions. Our market risks include interest rate risk and fuel price risk. We do not enter into derivatives or other financial instruments for trading or speculative purposes.

Interest Rate Risk

Our debt exposes us to risk of fluctuations in interest rates. Floating rate debt, where the interest rate fluctuates periodically, exposes us to short-term changes in market interest rates. Fixed rate debt, where the interest rate is fixed over the life of the instrument, exposes us to changes in market interest rates reflected in the fair value of the debt and to the risk that we may need to refinance maturing debt with new debt at higher rates. We manage our debt portfolio to achieve an overall desired position of fixed and floating rates and may employ interest rate hedges as a tool to achieve that position. In April 2023, **USF** **the Company** entered into two, two-year rate cap agreements, which will each mature on April 30, 2025 with a total notional amount of \$450 million. The interest rate cap agreements will effectively cap the interest rate on approximately 24% of the principal amount of the Term Loan Facilities. The Company's maximum exposure to the variable component of the interest rate on the Term Loan Facilities will be 5% on the notional amount covered by the interest rate cap agreements. We may, in the future, enter into additional interest rate hedges, the risks of which include changes in the interest rates affecting the fair value of such instruments, potential increases in interest expense due to market increases in floating interest rates and the creditworthiness of the counterparties.

Following the Intercontinental Exchange Benchmark Administration's announcement that it will cease publication of the U.S. dollar LIBOR tenors as of June 30, 2023, we evaluated the impact of such announcement and the use of alternative reference rates on our existing contracts, including with respect to our term loan credit agreement. On June 1, 2023, we entered into an amendment to our term loan credit agreement to replace the LIBOR-based interest rate option included in the term loan credit agreement with an interest rate option based upon Term SOFR. Term SOFR is a relatively new reference rate and has a very limited history. The future performance of Term SOFR cannot be predicted based on its limited historical performance. As a result, we are unable to predict the impact of using alternative reference rates and corresponding rate risk as of this time.

After considering interest rate caps that fixed the interest rate on a total notional amount of \$450 million of the current principal amount of the Term Loan Facilities, approximately 30% of the principal amount of our debt bore interest at floating rates based on Term SOFR or an alternative reference rate, as defined in our credit agreements, as of **September 30, 2023** **March 30, 2024**. A hypothetical 1% change in the applicable rate

would cause the interest expense on our floating rate debt to change by approximately ~~\$20~~ \$16 million per year (see Note ~~10, 9~~, Debt, in our consolidated financial statements).

Fuel Price Risk

We are also exposed to risk due to fluctuations in the price and availability of diesel fuel. We require significant quantities of diesel fuel for our vehicle fleet, and the price and supply of diesel fuel are unpredictable and fluctuate based on events outside our control, including geopolitical developments, supply and demand for oil and gas, regional production patterns, weather conditions and environmental concerns. Increases in the cost of diesel fuel can negatively affect consumer confidence and discretionary spending and increase the prices we pay for products, and the costs we incur to deliver products to our customers.

Fuel costs related to outbound deliveries approximated ~~\$195 million~~ \$190 million during the fiscal year ended ~~December 31, 2022~~ December 30, 2023. Our activities to minimize fuel cost risk include route optimization, improving fleet utilization, growing our fleet of electric vehicles and assessing fuel

24

surcharges. We typically directly offset approximately 40% of the increases in fuel costs through fuel surcharges to customers. We also enter into forward purchase commitments for a portion of our projected diesel fuel requirements. As of ~~September 30, 2023~~ March 30, 2024, we had diesel fuel forward purchase commitments totaling ~~\$11~~ \$24 million, which lock approximately ~~27%~~ 26% of our projected diesel fuel purchase needs through December ~~2023~~ 2024. Using current published market price projections for diesel and estimated fuel consumption needs, a hypothetical 10% unfavorable change in diesel prices from the market price could result in approximately ~~\$4~~ \$11 million in additional fuel cost on uncommitted volumes through December ~~2023~~ 2024.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is processed, recorded, summarized, and reported within the time periods specified in the SEC's rules and forms, and that this information is accumulated and communicated to Company management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

29

As required by Exchange Act Rule 13a-15(b), we carried out an evaluation, under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this Quarterly Report. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of ~~September 30, 2023~~ March 30, 2024.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the fiscal quarter ended ~~September 30, 2023~~ March 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

For information relating to legal proceedings, see Note 18|16, Commitments and Contingencies, in our consolidated financial statements.

Item 1A. Risk Factors

There have been no material changes to the principal risks that we believe are material to our business, results of operations, and financial condition from those disclosed in Part I, Item 1A—"Risk Factors" of the 2022|2023 Annual Report.

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

Share Repurchase Program

On November 2, 2022, our Board of Directors approved a share repurchase program under which the Company is authorized to repurchase up to \$500 million of its outstanding common stock. As of September 30, 2023|March 30, 2024, there was approximately \$257 million|\$179 million in remaining funds authorized under this program. For the 13 weeks ended September 30, 2023|March 30, 2024, the Company repurchased 726,690|283,988 shares at an aggregate purchase price of approximately \$29 million|\$13 million under the program. During the 39 weeks ended September 30, 2023, the Company repurchased 5,824,151 shares at an aggregate price of approximately \$229 million under the program. Additionally, during the 39 weeks ended September, 2023, the Company recorded \$2 million of excise tax associated with common stock repurchases.

The following table summarizes repurchases of US Foods common stock for the three periods ended September 30, 2023|March 30, 2024:

| Period (Millions of dollars, except number and price per share) | Total Number of Shares Purchased | Average Price Paid per Share | Total Number of Shares Purchased as Part of Publicly Announced Program | Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program (1) |
|---|----------------------------------|------------------------------|--|--|
| July 2, 2023 through August 5, 2023 | — | \$ — | — | \$ 286 |
| August 6, 2023 through September 2, 2023 | 154,743 | 40.41 | 154,743 | 280 |
| September 3, 2023 through September 30, 2023 | 571,947 | 39.77 | 571,947 | 257 |
| Quarter-to-date Total | <u>726,690</u> | <u>\$ 39.91</u> | <u>726,690</u> | |

| Period (Millions of dollars, except number and price per share) | Total Number of Shares Purchased | Average Price Paid per Share | Total Number of Shares Purchased as Part of Publicly Announced Program | Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program (1) |
|---|----------------------------------|------------------------------|--|--|
| December 31, 2023 through February 3, 2024 | 283,988 | \$ 45.70 | 283,988 | \$ 179 |
| February 4, 2024 through March 2, 2024 | — | — | — | 179 |
| March 3, 2024 through March 30, 2024 | — | — | — | 179 |
| Quarter-to-date Total | <u>283,988</u> | <u>\$ 45.70</u> | <u>283,988</u> | |

¹The size and timing of any repurchases will depend on a number of factors, including share price, general business and market conditions and other factors. Under the share repurchase program, repurchases can be made from time to time using a variety of methods, including open market purchases, privately negotiated transactions, accelerated share repurchases and Rule 10b5-1 trading plans. The share repurchase program does not obligate the Company to acquire any particular amount of shares, and the repurchase program may be suspended or discontinued at any time at the Company's discretion. The repurchase authorization does not have an expiration date.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

No Adoption or Termination of Trading Arrangements

During the three months ended **September 30, 2023** **March 30, 2024**, no director or executive officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

1

31

Elimination of Series A Preferred Stock

As previously reported by the Company, on May 4, 2020, the Company filed with the Secretary of State of the State of Delaware a Certificate of Designations (the "Certificate of Designations") designating the Company's Series A Preferred Stock, and establishing the powers, designations, preferences and relative, participating, optional or other special rights, and the qualifications, limitations and restrictions of the shares of Series A Preferred Stock.

On November 3, 2023, the Company filed an Elimination of Certificate of Designations of Series A Convertible Preferred Stock (the "Certificate of Elimination") with the Secretary of State of the State of Delaware in order to eliminate and cancel all designations, rights, preferences and limitations of the shares of the Series A Preferred Stock. At the time the Certificate of Elimination was filed there were no shares of Series A Preferred Stock outstanding and all shares formerly evidencing Series A Preferred Stock have resumed the status of authorized but unissued shares of preferred stock. The Certificate of Elimination became effective on November 3, 2023, upon filing with the Secretary of State of the State of Delaware.

The foregoing descriptions of the Certificate of Designation and the Certificate of Elimination do not purport to be complete and are subject to and qualified in their entirety by reference to the full text of the Certificate of Designation and the Certificate of Elimination, which are included as Exhibits 3.2 and 3.3 hereto, and are incorporated by reference herein.

32 26

Item 6. Exhibits

| Exhibit Number | |
|----------------|--|
| 10.1 | Eleventh Twelfth Amendment to Credit Agreement (incorporated by reference to Ex 10.1 to Current Report on Form 8-K filed on February 22, 2023). |
| 10.2 | Form of Severance Letter Agreement for Executive Vice Presidents† |
| 10.3 | Form of Severance Letter Agreement for Senior Vice Presidents† |
| 10.4 | Mutual Termination Agreement, dated as of February 28, 2024, by and among the US Foods Holding Corp., Sachem Head Capital Management LP and certain of its affiliates (incorporated by reference to Ex 10.2 to Current Report on Form 8-K filed on February 27, 2024). |
| 31.1 | Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 31.2 | Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 32.1 | Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 32.2 | Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 101 | Interactive Data File. |
| 104 | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101). |

†

Indicates a management contract or compensatory plan or arrangement required to be filed as an exhibit pursuant to Item 15(b) of Form 10-K.

3327

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.

US FOODS HOLDING CORP.

(Registrant)

Date: November May 9, 2023 2024

By: Is/ DAVID E. FLITMAN

David E. Flitman

Chief Executive Officer

Date: November May 9, 2023 2024

By: Is/ DIRK J. LOCASCIO

Dirk J. Locascio

Chief Financial Officer

34 28

Exhibit 3.3 10.2

OF

ELIMINATION OF

CERTIFICATE OF DESIGNATIONS

SERIES A CONVERTIBLE PREFERRED STOCK,

PAR VALUE \$0.01,

OF

US FOODS HOLDING CORP. EXECUTIVE SEVERANCE AGREEMENT

The undersigned, Stephanie D. Miller, being This Executive Severance Agreement (the "Agreement"), effective as of _____, __, 2024, (the "Effective Date") is made and entered into by and between US Foods, Inc. (the "Employer" or the Corporate Secretary of US FOODS HOLDING CORP., a Delaware corporation (the "Company"), does and _____ (the "Executive").

AGREEMENT

In consideration of the foregoing, of the mutual promises contained herein and for other valuable consideration, the receipt and sufficiency of which are hereby certify that, acknowledged, the Employer and the Executive intend to be legally bound and agree as follows:

1. Term of Employment. Executive's employment under this Agreement (the "Term") shall commence on the Effective Date and shall continue until Executive's employment is terminated pursuant to the provisions of Section 151(g)4 of this Agreement. The date on which Executive's employment is terminated pursuant to Section 4 of this Agreement shall be the "Termination Date."

2. Employment At Will. Executive agrees that no provision in this Agreement shall be construed to create an express or implied employment contract or a promise of employment for any specific period of time. Executive further acknowledges and agrees that Executive's employment with the Employer is "at will" (unless Executive entered into a written employment contract, signed by an officer of the General Corporation Law Employer who is authorized to do so, that expressly provides that Executive's employment is not "at will") and can be terminated at any time by the Employer

or the Executive, for any reason or for no reason. Notwithstanding the foregoing, the Executive agrees to provide the Company with forty-five (45) days' notice of his or her intent to terminate the employment relationship; provided, however, that such notice period may be waived by the Company in its discretion, upon request by the Executive.

3. **Duties.** During the Term, the Executive will serve as _____ for the Employer. The Executive will have the powers and authority normally associated with such position. The Employer reserves the right to change the Executive's office or title from time to time during the Term. In addition, the Executive will assume such other responsibilities, consistent with Executive's position, as the Employer may delegate to the Executive from time to time. The Executive will be employed on a fulltime basis and shall devote his or her full employment time, efforts and energy to the performance of his or her duties for the Employer. Executive agrees that, during the Term, Executive will not engage in any other employment, occupation, consulting or other business activity, nor will Executive engage in any activities that conflict with Executive's obligations to the Company.

4. **Termination.** The Executive shall be entitled to the following payments and benefits should his or her employment with the Employer terminate under the conditions described below:

4.1 *Resignation for Good Reason.* The Executive may terminate his or her employment for "Good Reason" at any time upon forty-five (45) days' notice to the Employer. For this purpose, "Good Reason" shall be deemed to exist if, absent the Executive's written consent: (i) there is a material diminution in title and/or duties, responsibilities or authority of the State Executive, including a change in reporting responsibilities such that the Executive no longer reports directly to the Chief Executive Officer of Delaware the Employer or, following a restructuring, merger or acquisition or other similar event, the executive officer with the highest authority in the ultimate parent entity resulting from such an event; provided, that a decrease in job grade, standing alone, will not qualify as a material diminution; (ii) the Employer changes the geographic location of the Executive's principal place of business to a location that is at least

fifty (50) miles away from the geographic location of the Executive's principal place of business prior to such change ("Relocation"); (iii) there is a willful failure or refusal by the Employer to perform any material obligation under this Agreement; or (iv) there is a reduction in the Executive's annual rate of base salary as in effect on the date of this Agreement (or as the same may be increased hereafter) ("Annual Base Salary") or annual bonus target percentage of base salary as in effect on the date of this Agreement (or as the same may be increased hereafter) (the "Target Bonus Percentage"), other than a reduction which is part of a general cost reduction affecting at least ninety percent (90%) of the executives of the Employer holding positions of comparable levels of responsibility (or who are otherwise commonly aggregated for purposes of applying compensation and benefits programs) and which does not exceed ten percent (10%) of the Executive's Annual Base Salary and Target Bonus Percentage, in the aggregate, when combined with any such prior reductions; provided, however, and notwithstanding anything to the contrary in this Agreement, that if the condition described in clause (iv) occurs and the Executive terminates employment for Good Reason, then any severance payments or benefits determined under this Agreement with reference to the Executive's Annual Base Salary and Target Bonus Percentage, shall instead be determined prior to any reduction in the Executive's Annual Base Salary and Target Bonus Percentage described in clause (iv) of this Agreement. In any case of any event described in clauses (i) through (iv) above, the Executive shall only have ninety (90) days from the date the event that constitutes Good Reason first arises to provide the Employer with written notice of the grounds for a Good Reason termination, and the

Employer shall have a period of thirty (30) days to cure after receipt of the written notice. Following the expiration of the Company's thirty (30) day cure period, the Executive shall have sixty (60) days to resign due to Good Reason. Resignation by the Executive following Employer's cure or before the expiration of the thirty (30) day cure period shall constitute a voluntary resignation and not a termination for Good Reason.

4.2 Resignation Not for Good Reason. The Executive may terminate his or her employment for other than "Good Reason" at any time upon forty-five (45) days' notice to the Employer.

4.3 For Cause Termination. The Employer may terminate Executive's employment for "Cause" at any time upon written notice to the Executive. For this purpose, "Cause" shall be deemed to exist if (i) the Employer determines in good faith and following a reasonable investigation that the Executive has committed fraud, theft or embezzlement from the Employer; (ii) the Executive pleads guilty or *nolo contendere* to or is convicted of any felony or other crime involving moral turpitude, fraud, theft, or embezzlement; (iii) the Executive willfully fails or refuses to perform any material obligation under this Agreement or to carry out the reasonable directives of the Executive's supervisor, and the Executive fails to cure the same within a period of 30 days after written notice of such failure is provided the Executive by the Employer; or (iv) the Executive has engaged in on-the-job conduct that violates the Employer's written Code of Ethics or company policies, and which is materially detrimental to the Employer. The Executive's resignation in advance of an anticipated termination for Cause shall constitute a termination for Cause.

4.4 Not for Cause Termination. The Employer may terminate Executive's employment without "Cause" at any time upon forty-five (45) days' notice to the Executive.

4.5 Disability. The Executive's employment and this Agreement shall terminate in the event of the Executive's "Permanent Disability"; provided, however, that the Agreement shall remain in force solely for the purpose of payment of any benefits which accrued or were triggered prior to or by reason of the Executive's "Permanent Disability". For this purpose, a "Permanent Disability" shall be deemed to exist if the Executive becomes eligible to receive long-term disability benefits under any long-term disability plan or program maintained by the Employer for its employees.

4.6 Death. This Agreement shall terminate upon the Executive's death; provided, however, that the Agreement shall remain in force solely for the purpose of payment of any benefits which accrued

or were triggered prior to or by reason of the Executive's death, and in such event such benefits, if any, shall be paid to the Executive's designated beneficiary.

5. Compensation and Benefits Upon Termination.

5.1 Upon the termination of the Executive's employment for any reason, the Employer will pay to the Executive all accrued but unpaid base salary, at the rate then in effect, through the date of the Executive's termination of active employment. The Executive shall also be entitled to payment of other vested benefits accrued to the date of termination of employment in accordance with the terms and conditions of the applicable plans in which the Executive is a participant.

5.2 If at any time during the Term of the Agreement prior to a Change in Control (as defined below), (i) the Executive terminates his or her employment for Good Reason or (ii) the Employer terminates the Executive's employment without Cause, and, in either case, the Executive executes (and does not later revoke) a Waiver and Release Agreement, and satisfies the Payment Preconditions (as defined below), then the following paragraphs (a) through (g) shall apply. The "Payment Preconditions" are: (i) the Waiver and Release Agreement shall be substantially in the form provided as Attachment A, subject to any modifications deemed necessary by the Employer in its sole discretion to reflect developments in the law following the date of this Agreement, (ii) the Executive shall have executed the Waiver and Release Agreement within the time period specified by the Employer (which shall not exceed 52 days following the Executive's termination of employment), and (iii) the Executive shall have complied with all of the Executive's obligations under Section 6 of this Agreement.

(a) *Base Salary and Payment Schedule.* The Employer shall pay the Executive an amount equal to eighteen (18) months of the Executive's Annual Base Salary in effect immediately prior to the date of Executive's termination of employment. Such amount shall be paid in equal installments over a period of eighteen (18) months in accordance with the Company's regular payroll schedule, with such payments to begin, in the Company's sole discretion, no later than sixty (60) days following the date of the Executive's termination of employment (with any installment payment that would, but for the delay of such payment by the Company, otherwise have been payable if such installment payments had begun on the first payroll period following such date of termination of employment, also being paid on the date the Company first begins payment of such amounts).

(b) *Bonus.*

- (1) *Pro Rata Portion.* The Employer shall pay the Executive an amount equal to a pro-rata portion of the amount of the annual cash bonus that the Executive would have earned under the Employer's annual incentive program in respect of the calendar year in which the Executive's termination of employment occurred, based on the Employer's achievement of the applicable criteria for such year. Such amount shall be prorated based on the period of time from January 1 of the calendar year in which the termination occurred to the date of actual termination of employment, notwithstanding any contrary term of the incentive program that would require the Executive to remain employed until the date of payment. This payment shall be made when the Employer makes its incentive payments to its active employees under and in accordance with the terms of the applicable annual incentive program.
- (2) *Fixed Portion.* The Employer shall also pay the Executive an amount equal to the product of: (A) the Executive's then current Target Bonus Percentage, multiplied by (B) the Executive's then current Annual Base Salary, multiplied by (C) one and one half (1 1/2) . Such amount shall be paid in equal installments over a period of eighteen (18) months in accordance with the Company's regular payroll schedule, with such payments to begin, in

the Company's sole discretion, no later than sixty (60) days following the date of the Executive's termination of employment (with any installment payment that would, but for the delay of such payment by the

Company, otherwise have been payable if such installment payments had begun on the first payroll period following such date of termination of employment, also being paid on the date that the Company first begins payment of such amounts).

The following example illustrates the application of Section 5.2(b)(2).

Example 1. At the time of the Executive's termination of employment, the Executive's Annual Base Salary is \$xxx, and the Executive's Target Bonus Percentage is [x]%. The amount calculated pursuant to Section 5.2(b)(2) would be (A) [x]%, multiplied by (B) \$xxx, multiplied by (C) 1.5, or \$xxx.

(c) *Stock Options and Other Equity Awards.* If, upon the date of termination of the Executive's employment, the Executive holds any options or other equity awards with respect to stock of the Employer or US Foods Holding Corp., then all such options and equity awards shall be treated in accordance with the terms of the relevant stock incentive plan document and individual award agreement.

(d) *Health Benefits.* Upon the Executive's termination of employment, the Executive will be eligible to elect individual and dependent continuation group medical and dental coverage, as provided under Internal Revenue Code ("Code") Section 4980B(f) ("COBRA"), for the maximum COBRA coverage period available, subject to all conditions and limitations (including payment of premiums and cancellation of coverage upon obtaining duplicate coverage or Medicare entitlement). If the Executive elects COBRA coverage, the Employer shall pay to the Executive, in a single payment, the aggregate premium costs to the Executive of the elected COBRA coverage (including the cost of COBRA coverage for any spouse or other dependents of the Executive who are qualified beneficiaries under COBRA and enrolled in the applicable group medical and dental coverage as of the Executive's termination date) for the eighteen (18) month period beginning with the first day of the month following the Executive's termination date. The Executive (or dependents, as applicable) shall be responsible for paying the full cost of the COBRA coverage (including the two percent (2%) administrative charge) effective with the first day of the month following the Executive's termination date.

(e) *Vacation.* The Executive shall be entitled to a payment attributable to base salary for unused vacation accrued during the calendar year of the Executive's termination of employment. The Executive shall not accrue any vacation after termination of employment, nor shall the Executive be entitled to payment for unused vacation from years other than the calendar year of the Executive's termination of employment. Payment for accrued unused vacation shall be made to the Executive in a lump sum within sixty (60) days following the date of the Executive's termination of employment, or such shorter period as required by applicable law.

(f) *Outplacement Services.* The Executive shall be entitled to career transition and outplacement services to include one-on-one coaching covering reemployment, career changes, entrepreneurial/consulting ventures, etc., and access to comprehensive office and administrative services for a period not to exceed twelve (12) months following Executive's termination date. Such outplacement services will be provided by an outside organization selected and paid for by the Employer.

(g) *Effect upon Other Benefits.* Notwithstanding the foregoing, the period of time during which the Executive receives benefits following termination of employment shall not count as service or employment with the Employer, and the amount of any payments under this Agreement shall not be treated as compensation paid by the Employer, for purposes of any other employee benefit plan, policy, program or arrangement maintained by the Employer. During the Term, the Executive shall be ineligible

for any severance payments and benefits under the Company's Severance Plan (or any successor thereto) and shall be eligible for severance benefits only as provided in this Agreement.

(h) *Change in Control.* For purposes of this Agreement, a "Change in Control" means if there occurs any of the following: (a) the acquisition (whether by purchase, merger, consolidation, combination or other similar transaction) by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended, and any successor thereto (the "DGCL Exchange Act")) (each such individual, entity or group, a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of more than 50% (on a fully diluted basis) of either (i) the then outstanding shares of common stock of US Foods Holding Corp., par value \$0.01 per share (and any stock or other securities into which such Common Stock may be converted or into which it may be exchanged ("Common Stock")), taking into account as outstanding for this purpose such Common Stock issuable upon the exercise of options or warrants, the conversion of convertible stock or debt, and the exercise of any similar right to acquire such Common Stock or (ii) the combined voting power of the then outstanding voting securities of US Foods Holding Corp. entitled to vote generally in the election of directors; provided, however, that for purposes of this Agreement, the following acquisitions shall not constitute a Change in Control: (1) any acquisition by US Foods Holding Corp. or any Person that directly or indirectly controls, is controlled by, or is under common control with US Foods Holding Corp. (with the term "control" (including, with correlative meaning, the terms "controlled by" and "under common control with"), as applied to any Person, meaning the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting or other securities, by contract, or otherwise) (each such Person, an Affiliate"); (2) any acquisition by any employee benefit plan sponsored or maintained by US Foods Holding Corp. or any Affiliate; or (3) in respect of an equity award issued pursuant to any stock incentive plan of the Company or US Foods Holding Corp. held by the Executive, any acquisition by the Executive or any group of Persons (within the meaning of Rule 13d-3 promulgated under the Exchange Act) including the Executive (or any entity controlled by the Executive or any group of Persons including the Executive); (b) during any period of twelve (12) months, individuals (the "Incumbent Directors") who, at the beginning of such period, constitute the Board of Directors of US Foods Holding Corp. (the "USFD Board") cease for any reason to constitute at least a meeting majority of the USFD Board, provided, that any person becoming a director subsequent to the date hereof, whose election or nomination for election was approved by a vote of at least two-thirds of the Incumbent Directors then on the USFD Board (either by a specific vote or by approval of the proxy statement of US Foods Holding Corp. in which such person is named as a nominee for director, without written objection to such nomination) shall be an Incumbent Director; provided, however, that no individual initially elected or nominated as a director of US Foods Holding Corp. as a result of an actual or threatened election contest, as such terms are used in Rule 14a-12 of Regulation 14A promulgated under the Exchange Act, with respect to directors or as a result of any other actual or threatened solicitation of proxies or consents by or on behalf of any person other than the USFD Board shall be deemed to be an Incumbent Director; or (c) the sale, transfer or other disposition of all or substantially all of the assets of US Foods Holding Corp. to any Person that is not an Affiliate of US Foods Holding Corp.

5.4 Notwithstanding anything in this Agreement to the contrary, payments and benefits under Section 5.2 or Section 5.3, as the case may be, shall not be made or be available if the Executive's termination of employment is due to the Executive's death (except as set forth in Section 4.6), Permanent Disability (except as set forth in Section 4.5), voluntary resignation without Good Reason, or involuntary termination by the Employer with Cause.

5.5 The Employer may withhold from any amounts payable under this Agreement such United States federal, state, or local taxes, or any foreign taxes, as shall be required to be withheld pursuant to any applicable law or regulation.

5.6 The Executive shall not be required to mitigate the amount of any payment contemplated by this Agreement (whether by seeking new employment or in any other manner), nor shall any such payment be reduced by any compensation that the Executive may receive from any other source.

5.7 This Agreement is intended to comply with Section 409A of the Code and will be interpreted in a manner intended to comply with Section 409A of the Code. The payments to Executive pursuant to this Agreement are also intended to be exempt from Section 409A of the Code to the maximum extent possible, under either the separation pay exemption pursuant to Treas. Reg. Section 1.409A-1(b)(9)(iii) or as short-term deferrals pursuant to Treas. Reg. Section 1.409A-1(b)(4). Notwithstanding anything herein to the contrary, (i) if at the time of Executive's termination of employment with the Employer, he or she is a "specified employee" as defined in Section 409A of the Code (and any related regulations or other pronouncements thereunder) and the deferral of the commencement of any payments or benefits otherwise payable hereunder as a result of such termination of employment is necessary in order to prevent any accelerated or additional tax under Section 409A of the Code, then the Employer will defer the commencement of the payment of any such payments or benefits hereunder (without any reduction in such payments or benefits ultimately paid or provided to the Executive) until the date that is six (6) months following the Executive's termination of employment with the Employer (or the earliest date as is permitted under Section 409A of the Code) and (ii) if any other payments of money or other benefits due to the Executive hereunder could cause the application of an accelerated or additional tax under Section 409A of the Code, such payments or other benefits shall be deferred if deferral will make such payment or other benefits compliant under Section 409A of the Code, or otherwise such payment or other benefits shall be restructured, to the extent possible, in a manner, determined by the Employer, that does not cause such an accelerated or additional tax. To the extent any reimbursements or in-kind benefits due to the Executive under this Agreement constitute "deferred compensation" under Section 409A of the Code, any such reimbursements or in-kind benefits shall be paid to Executive in a manner consistent with Treas. Reg. Section 1.409A-3(i)(l)(iv). Each payment made under this Agreement shall be designated as a "separate payment" within the meaning of Section 409A of the Code. Additionally, for purposes of Section 409A of the Code, (i) if the commencement of any payment or benefit provided under Section 5.2 or Section 5.3, as the case may be, that constitutes "deferred compensation" under Section 409A of the Code could, by application of the terms of Section 5.2 or Section 5.3, as the case may be, occur in one of two taxable years, then the commencement of such payment or benefit shall begin on the first payroll date occurring in January of such second taxable year and (ii) any references herein to Executive's "termination of employment" shall refer to Executive's "separation from service" with the Employer and its affiliates within the meaning of Section 409A of the Code. In addition, to the extent any payment hereunder constitutes "nonqualified deferred compensation," and a Change in Control occurs that is not a "change in control event," in each case as such terms are defined under Section 409A of the Code, then such amount shall be paid pursuant to the schedule set forth in Section 5.2.

6. Confidential Information; Non-Competition/Non-Interference. The Executive acknowledges by signing this Agreement that (i) the principal business of US Foods Holding Corp. and its subsidiaries (including the Employer),

and including any future acquired subsidiaries (any such subsidiaries, "Affiliate Subsidiaries", and collectively with US Foods Holding Corp., the "USF Group") is the foodservice distribution business, including the acquisition, procurement, production, sale and distribution of food and related products, equipment, goods and services to restaurants, schools, hospitals, and other institutions or establishments that serve food (the "Present Business"); (ii) the Employer or any Affiliate Subsidiary constitute one of a limited number of persons who have developed the Present Business; (iii) the Executive's work for the Employer or any Affiliate Subsidiary has given and will continue to give the Executive access to the confidential affairs and proprietary information of the Employer or any Affiliate Subsidiary, not readily available to the public; and (iv) the agreements and covenants of the Executive contained in this Section 6 are essential to the business and goodwill of the Employer or any Affiliate Subsidiary. Accordingly, the Executive agrees as follows:

6.1 Confidentiality. The Executive shall hold in a fiduciary capacity for the benefit of the Employer all secret or confidential information, knowledge or data relating to the Employer or any affiliated companies, and their respective businesses, employees, suppliers or customers, which shall have been obtained by Executive during the Executive's employment by the Employer and which shall not be or become public knowledge ("Confidential Information"). During the Term and after termination of Executive's employment with the Employer, the Executive shall not, without the prior written consent of the Employer or as otherwise may be required by law or legal process (provided, that the Executive shall give the Employer reasonable notice of such process, and the ability to contest it), communicate or divulge any Confidential Information to anyone other than the Employer and those designated by it. Notwithstanding the above, this Agreement shall not prevent Executive from revealing evidence of criminal wrongdoing to law enforcement or prohibit Executive from divulging Confidential Information by order of court or agency of competent jurisdiction, or from making other disclosures that are protected under the provisions of law or regulation. Nothing in this Agreement prohibits Executive from reporting possible violations of federal law or regulation to any governmental agency or entity, including but not limited to the Department of Justice, the Securities and Exchange Commission, the Congress, and any Inspector General, or making other disclosures that are protected under the whistleblower provisions of applicable law or regulation. Executive does not need the prior authorization of Employer to make any such reports or disclosures, and Executive is not required to notify Employer that Executive has made such reports or disclosure.

Executive acknowledges and agrees that the Company has provided Executive with written notice below that the Defend Trade Secrets Act, 18 U.S.C. § 1833(b), provides an immunity for the disclosure of a trade secret to report suspected violations of law and/or in an anti-retaliation lawsuit, as follows:

(1) **IMMUNITY.** — An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that —

(A) is made —

(i) in confidence to a Federal, State or local government official, either directly or indirectly, or to an attorney; and

(ii) solely for the purpose of reporting or investigating a suspected violation of law; or

(B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

(2) USE OF TRADE SECRET INFORMATION IN ANTI-RETALIATION LAWSUIT.—An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual—

(A) files any document containing the trade secret under seal; and

(B) does not disclose the trade secret, except pursuant to court order.

6.2 *Return of Property.* Executive acknowledges and agrees that Executive has no expectation of privacy with respect to Employer's telecommunications, networking or information processing systems (including, without limitation, stored company files, email messages and voice messages) and that Executive's activity and any files or messages on or using any of those systems may be monitored at any time without notice. Executive further acknowledges and agrees that all records, files, customer order

guides, pricelists, photo/videographic materials, computers, and computer related equipment (e.g. hardware, software, disks, electronic storage devices, etc.), cell phones, smart phones, Blackberries, personal data assistants, keys, equipment, access cards, passwords, access codes, badges, credit cards or other tangible material, and all other documents, including but not limited to Confidential Information, that Executive receives, acquires, produces or has access to as a result of Executive's employment with Employer (regardless of the medium in which any information is stored) (collectively "Property"), are the exclusive property of Employer. The Executive also agrees that upon leaving the Employer's employ, he or she will not take with him or her, and he or she will surrender to the Employer, any record, list, drawing, blueprint, specification or other document or Property of the Employer, its subsidiaries and Affiliates, together with any copy and reproduction thereof, mechanical or otherwise, which is of a confidential nature relating to the Employer, its subsidiaries and Affiliates, or, without limitation, relating to its or their method of distribution, client relationships, marketing strategies or any description of formulae or secret processes, or which was obtained by Executive or entrusted to Executive during the course of his or her employment with the Employer. The Executive agrees to return to the Employer all books, records, lists and other written, typed, printed or electronically stored materials, whether furnished by the Employer or prepared by the Executive, which contain any information relating to the Employer, its subsidiaries and Affiliates, including their respective businesses, employees, suppliers or customers, promptly upon termination of this Agreement, and the Executive shall neither make nor retain any copies of such material without the prior written consent of the Employer.

6.3 *Non-Competition.* The Executive agrees that during the Term of his or her employment with the Employer and for a period of eighteen (18) months after Executive's termination of employment with the Employer for any reason (the "Restricted Period"), Executive will not, anywhere within the Restricted Territory, engage in Competition with any member of the USF Group. For purposes of this Agreement, "Competition" shall mean (a) owning, operating, or controlling (other than as a passive owner of not more than five percent (5%) of the outstanding stock of any class of a corporation) any entity which competes directly or indirectly with any product line of or service of the type and/or

character offered by or competitive with the USF Group as of the termination of Executive's employment and which is material to the Present Business (a "Competitor") or (b) holding any position for a Competitor or engaging in any activities for a Competitor as an employee, agent, consultant, independent contractor, or in any other capacity if such position or activities involve: (i) responsibilities similar to responsibilities Executive had or performed for Employer during the Term; (ii) supervision of employees or other personnel in the provision of services that are similar to or competitive with those offered or provided by the USF Group during the Term; (iii) development or implementation of strategies or methodologies related to the provision of services similar to or competitive with the services offered or provided by the USF Group during the Term; or (iv) responsibilities in which Executive would utilize or disclose Confidential Information, provided, that, such restriction shall not apply to a food manufacturing company or business, food retail company or business or other supplier not engaged primarily in foodservice distribution. For purposes of this Agreement, "Restricted Territory" shall mean the following geographic territory to the maximum extent determined to be reasonable by a court of competent jurisdiction: (i) all counties or parishes in the state(s) in which Executive was employed by the Employer during the Term; (ii) all counties or parishes included within any US Foods Region that Executive directly or indirectly managed during the Term; and (iii) all states in the United States of America in which the USF Group conducts business as of the date of the termination of Executive's employment with the Employer. The Executive acknowledges that the geographic restrictions in this Section 6.3 are reasonable and necessary because, during the Term, the Executive will be exposed to Confidential Information and customer relationships on a nationwide basis.

6.4 Non-Solicitation of Restricted Customers. During the Restricted Period, the Executive shall not, directly or indirectly, for the purpose of providing products or services competitive with those conducted, authorized, offered or provided by the Employer, solicit, market, service, contact, sell to or attempt to sell to any Restricted Customer.

(a) For purposes of this Section 6.4, a "Restricted Customer" is any person or entity:

(1) to whom the Executive sold products or services on behalf of the Company at any time during the Term, including sales performed while the Executive was in training; or

(2) to whom the Employer sold products or services and with whom the Executive had contact on behalf of the Employer in connection with such sale at any time during the Term; or

(3) to whom the Employer sold products or services at any time during the Term and which sale was made through any employee of the Employer whom the Executive directly or indirectly managed or supervised (at any level of management or supervision); or

(4) with regard to whom, at any time during the Term, the Executive (or any employee of the Employer whom the Executive directly or indirectly managed or supervised, at any level of management or supervision): (i) participated in the preparation of a written sales proposal or bid containing Confidential Information to such person or entity on behalf of the Employer; (ii) participated in the setting of prices, margins, or credit terms for such person or entity on behalf of the Employer; or (iii) used or received or created or reviewed any Confidential Information relating to such person or entity on behalf of the Employer; or

(5) who is, or functions as, a food broker or contract management company or group purchasing organization or otherwise represents one or more customers or negotiates on their behalf, and to whom or through whom Executive or any employee of the Employer whom the Executive directly or indirectly managed or supervised (at any level of management or supervision) sold products or services on behalf of the Employer at any time during the Term.

(b) Examples of indirect "solicitation, marketing, servicing, contacting, selling to or attempting to sell to" that are prohibited by this Section 6.4 include but are not limited to, providing Confidential Information to a person or entity that is competitive with the Employer regarding a Restricted Customer; advising or encouraging a Restricted Customer to reduce or cease doing business with the Employer or to do business with a person or entity that provides products or services competitive with the Employer; switching or swapping sales, solicitation, or service responsibility for a Restricted Customer with an employee of a person or entity that is competitive with the Employer; participating in the supervision or management of any person or entity that is competitive with the Employer or an employee of such person or entity, regardless of other intervening levels of management or supervision, with regard to a Restricted Customer; participating in the setting of prices, credit terms or margins for a Restricted Customer; participating in developing and executing marketing and sales strategies and decisions affecting a Restricted Customer; and receiving any personal benefit (present or future) in the event a Restricted Customer should do any business with a person or entity that is competitive with the Employer.

6.5 Non-Solicitation of Employees; Non-Interference. The Executive agrees that during the Restricted Period, Executive will not, directly or indirectly, on behalf of Executive or for any other person (other than the Employer), solicit to hire or hire any person (i) who is an employee of the USF Group, or (ii) who has left the employment of the USF Group for a period of six (6) months following the termination of such employee's employment with the USF Group, for employment with any person, business, firm, corporation, partnership or other entity other than the USF Group.

6.6 Exit Interview Requirement. The Executive agrees to be available for an exit interview with a designated Employer representative prior to Executive's departure from Employer to answer questions regarding Executive's departure. Executive also agrees to execute an exit interview certification affirming Executive's compliance with his or her obligations in this Agreement.

6.7 Effect of Other Agreements. In the event Executive executed other written agreements with Employer relating to the subject matter of this Section 6, and/or in the event Executive enters into other written agreements that contain provisions similar to the provisions contained herein, all such provisions shall be interpreted to provide the Employer with cumulative rights and remedies and the benefits and protections provided to the Employer under each such agreement shall be given full force and effect.

6.8 Cooperation. During the Restricted Period, upon reasonable request of the Employer, the Executive shall cooperate in any internal or external investigation, litigation or any dispute relating to any matter in which he or she was involved during his or her employment with the Employer; provided, however, that the Executive shall not be obligated to spend time and/or travel in connection with such cooperation to the extent that it would unreasonably interfere with the Executive's other commitments and obligations. The Employer shall reimburse the Executive for all expenses the Executive reasonably incurs in so cooperating.

6.9 *Notification.* Before accepting employment with any other person, organization or entity while employed by the Employer and during the Restricted Period, the Executive will inform such person, organization or entity of the restrictions contained in this Section 6. The Executive further consents to notification by Employer to Executive's subsequent employer or other third party of Executive's obligations under this Agreement.

6.10 *Other Acknowledgements.* The parties acknowledge and agree that the restrictions of this Section 6 have been carefully negotiated at arm's length and are believed by the parties to be reasonable and necessitated by legitimate business needs. Notwithstanding the preceding statement, if any provision set forth in this Section 6 is determined by any competent court or tribunal to be unenforceable or invalid for any reason, the parties agree that this Section 6 will be interpreted to extend only over the maximum period of time for which it may be enforceable, and/or over the maximum geographical area as to which it may be enforceable, and/or to the maximum extent in any and all respects as to which it may be enforceable, all as determined by such court or tribunal. The parties further acknowledge and agree that the Executive's obligations under this Agreement are unique and that any breach or threatened breach of such obligations may result in irreparable harm and substantial damages to the USF Group. Accordingly, in the event of a breach or threatened breach by the Executive of any of the provisions of this Section 6, any member of the USF Group shall have the right, in addition to exercising any other remedies at law or equity which may be available to it under this Agreement or otherwise, to obtain ex parte, preliminary, interlocutory, temporary or permanent injunctive relief, specific performance and other equitable remedies in any court of competent jurisdiction, to prevent the Executive from violating such provision or provisions or to prevent the continuance of any violation thereof, together with an award or judgment for any and all damages, losses, liabilities, expenses and costs incurred by the USF Group as a result of such breach or threatened breach including, but not limited to, attorneys' fees incurred by the USF Group in connection with, or as a result of, the enforcement of these covenants. The Executive expressly waives any requirement based on any statute, rule or procedure, or other source, that any member of the USF Group post a bond as a condition of obtaining any of the above described remedies.

7. Clawback/Forfeiture of Benefits.

7.1 In addition to the Employer's legal and equitable remedies (including injunctive relief), if the USFD Board or the Board of Directors of the Company (the Employer determines (in its sole discretion but acting in good faith) that (i) the Executive has violated any portions of Section 6, or (ii) that any of the Employer's or US Foods Holding Corp.'s financial statements are required to be restated resulting from fraud attributable to the Executive, then (a) the Employer may recover or refuse to pay any of the compensation or benefits that may be owed to the Executive under Section 5.2 or Section 5.3, as the case may be, of this Agreement, and (b) the Employer or US Foods Holding Corp., as the case may be, may prohibit the Executive from exercising all or any options with respect to stock of the Employer or US Foods Holding

Corp., or may recover all or any portion of the gain realized by the Executive from (1) such options exercised, (2) the vesting of any equity award received from the Employer or US Foods Holding Corp. or (3) the sale of any equity award received from the Employer or US Foods Holding Corp., in each case in the twelve (12) month period immediately

preceding any violation of Section 6 or any restatement of financial statements, or in the periods following the date of any such violation or restatement.

7.2 In addition, Executive acknowledges and agrees that nothing herein will prevent the recoupment of certain incentive-based compensation in the event of an accounting restatement resulting from material noncompliance with financial requirements in accordance with (i) US Foods Holding Corp.'s Policy for the Recovery of Erroneously Awarded Compensation, effective as of December 1, 2023, as it may be amended from time to time, (ii) US Foods Holding Corp.'s Policy for the Recovery of Erroneously Awarded Compensation, effective as of May 25, 2016, or (iii) any such other executive compensation recoupment policy established from time to time by the US Foods Holding Corp.

8. Excise Tax Matters.

(a) Anything in this Agreement to the contrary notwithstanding and except as set forth below, in the event it shall be determined that any payment, distribution or other benefit by the Employer or its Affiliates to or for the benefit of the Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise) (collectively, the "*Board Payments*") would be subject to the excise tax imposed by Section 4999 of the Code or any interest or penalties are incurred by Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), held on August 3, 2023, then the *Board adopted* Payments shall be either (i) delivered in full pursuant to the following resolutions terms of this Agreement or (ii) delivered to such lesser extent as would result in no portion of the payment being subject to the Excise Tax as determined in accordance with Section 141 of the DGCL 8(b).

WHEREAS(b) The determination of whether Section 8(a)(i) or Section 8(a)(ii) shall be given effect shall be made by Employer on the basis of which of such clauses results in the receipt by Executive of the greater Net After-Tax Receipt (as defined below) of the aggregate Payments. The term "*Net After-Tax Receipt*" shall mean the present value (as determined in accordance with Section 280G of the Code) of the payments net of all applicable federal, state and local income, employment and other applicable taxes and the Excise Tax.

(c) If Section 8(a)(ii) is given effect, the reduction shall be accomplished in accordance with Section 409A of the Code and the following: first by reducing, on May 4, 2020, the Company filed a pro rata basis, cash Payments payable pursuant to this Agreement and then by forfeiting any equity-based awards that vest and become payable, starting with the *Secretary of State* most recent equity-based awards that vest, to the extent necessary to accomplish such reduction.

(d) Unless Employer and Executive otherwise agree in writing, any determination required under this Section 8 shall be made by Employer's independent accountants or compensation consultants (the "Third Party"), and all such determinations shall be conclusive, final and binding on the parties hereto. Employer and Executive shall furnish to the Third Party such information and documents as the Third Party may reasonably request in order to make a determination under this Section 8. Employer shall bear all fees and costs of the *State* Third Party with respect to all determinations under or contemplated by this Section 8.

9. Resolution of Delaware (the "Differences Over Breaches of Agreement. The parties shall use good faith efforts to resolve any controversy or claim arising out of, or relating to this Agreement or the breach thereof. If despite their good faith efforts, the parties are unable to resolve such controversy or claim, then such controversy or claim shall be resolved by arbitration in Chicago, Illinois, with one (1) arbitrator, in accordance with the National Rules for Resolution of Employment Disputes of the American Arbitration

Association, and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The arbitrator shall have the discretion to award reasonable attorneys' fees, costs and expenses, including fees and costs of the arbitrator and the arbitration, to the prevailing party. Notwithstanding the above, nothing in this Agreement prevents either the Executive or the Employer from seeking a temporary restraining order, preliminary injunction, or other temporary or interlocutory equitable relief from a court of competent jurisdiction, provided that, following the court's ruling on a petition or application for temporary or equitable injunctive relief, any such action in a court of competent jurisdiction shall be stayed and the remainder of the dispute submitted to binding arbitration for final resolution on the merits.

10. Delaware Secretary Complete Agreement. This Agreement contains the complete agreement and understanding concerning the employment arrangement between the parties and, except as set forth in Sections 5.2(c), 5.3(c), 6.7 and 7 of State" a Certificate this Agreement, supersedes all other agreements, understandings or commitments between the parties as to such subject matter. No amendment, waiver or revocation of Designations this Agreement shall be effective unless set forth in writing expressly stating the amendment, waiver or revocation and signed by an authorized officer of Series A Convertible Preferred Stock (the "Certificate of Designations"), par value \$0.01 per share (the "Series A Preferred Stock"), providing for the issuance of up to 1,000,000 shares of Series A Preferred Stock; Employer.

WHEREAS 11. , on May 26, 2023, following Successors and Assigns. Executive expressly agrees that this Agreement, including the conversion of all outstanding Series A Preferred Stock rights and obligations hereunder, may be transferred and/or assigned by the holders thereof, there were no shares Employer without the further consent of Series A Preferred Stock outstanding; Executive, and that this Agreement is for the benefit of and may be enforced by and is binding upon Employer, its present and future successors, assigns, subsidiaries, Affiliates, and purchasers, but is not assignable by Executive.

WHEREAS 12. , the Board has determined it is advisable and Notices. All notices required to be given or which may be given under this Agreement must be in the best interests of the Company and its stockholders to eliminate all matters set forth in the Certificate of Designation with respect writing, must be either personally delivered, or delivered by first class mail (postage prepaid) or by a nationally recognized express courier. Notices will be deemed given when personally delivered, when delivered to the Series A Preferred Stock from addressee's address (when delivered by express courier) or five (5) days after having been deposited with the Certificate of Corporation of the Company, U.S. Postal Service if mailed, and addressed as follows:

NOW, THEREFORE, BE IT RESOLVED, that no shares of Series A Preferred Stock are outstanding and no shares of Series A Preferred Stock will be issued subject to the Certificate of Designations;

RESOLVED FURTHER, that the appropriate officers of the Company are hereby authorized, directed and empowered to take any and all actions as such officers deem necessary and appropriate to eliminate the Series A Preferred Stock, including to execute and cause to be filed on behalf of the Company, a certificate of Elimination of the Certificate of Designations with the Delaware Secretary of State (the "Certificate of Elimination");

RESOLVED FURTHER, that when the Certificate of Elimination becomes effective upon acceptance by the Delaware Secretary of State, it shall have the effect of eliminating from the Certification of Incorporation all matters set forth in the Certificate of Designations with respect to

the Series A Preferred Stock;

RESOLVED FURTHER, that when the Certificate of Elimination becomes effective upon acceptance by the Delaware Secretary of State, the 1,000,000 shares formerly designated as Series A Preferred Stock shall return to the status of authorized but unissued, undesignated shares of Preferred Stock available for issuance as hereafter determined by the Board;

RESOLVED FURTHER, that the Board shall provide the Secretary of the Company with a copy of the Certificate of Elimination certified by the Delaware Secretary of State to be inserted in the corporate minute book; and

RESOLVED FURTHER, that the officers of the Company, and any of them, be, and they hereby are, authorized, empowered and directed for and on behalf of the Company and in its name to execute, deliver and cause the performance of all such further documents and to take all such further actions as such officers, or any of them, may in their discretion deem necessary, appropriate or advisable in order to carry out and perform the intent of the foregoing resolutions, the execution and delivery of such documents, and the taking of any such action to conclusively evidence the authorization thereof by the Company.

IN WITNESS WHEREOF, this Certificate of Elimination of the Certificate of Designations of Series A Convertible Preferred Stock of US Foods Holding Corp. has been executed by a duly authorized officer of the Company on this 3rd day of November 2023.

If to the Employer:

US Foods, Inc.
9399 W. Higgins Road
Rosemont, Illinois 60018
Attn: General Counsel

If to the Executive:

To the address set forth by the Executive at the end of this Agreement

Either party may change the address to which such notices are to be addressed by notice thereof to the other party in the manner set forth above.

13. Miscellaneous.

13.1 The Executive agrees that any and all processes, systems, software, technology or other intellectual property created or developed by the Executive as part of the work being performed by him or her for the Employer is "work for hire," which is owned exclusively by the Employer and for which the Employer receives all ownership rights, including the copyrights thereto. The Executive hereby assigns to the Employer any and all right, title and interest the Executive may have in such work.

13.2 This Agreement may be amended, superseded, canceled, renewed or extended, and the terms hereof may be waived, only by a written instrument signed by the parties or, in the case of a waiver, by the party waiving compliance. No delay on the part of either party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of either party of

such rights, power or privilege or any single or partial exercise of any such right, power or privilege, preclude any other further exercise thereof or the exercise of any other such right, power or privilege.

13.3 If any portion of this Agreement is held unenforceable or inoperative for any reason, such portion will not affect any other portion of this Agreement, and the remainder will be as effective as though the ineffective portion had not been contained in this Agreement.

13.4 The validity of this Agreement and of any of the terms or provisions as well as the rights and duties of the parties hereunder will be governed by the laws of the State of Illinois (excluding the conflict of laws provisions thereof). Except for claims subject to the mandatory arbitration provision in Section 9 of this Agreement, the exclusive venue for any litigation between Executive and Employer based upon any fact, matter or claim arising out of or relating to this Agreement shall be the state or federal courts located in Chicago, Illinois, and Executive hereby consent to any such court's exercise of personal jurisdiction over him or her for such purpose. Executive acknowledges and agrees that Executive has significant material connections with Illinois. Executive shall not challenge jurisdiction in Illinois on any grounds including forum non conveniens or lack of personal jurisdiction.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date below.

EMPLOYER:

US Foods, Inc.

EXECUTIVE:

[NAME]

By: J. David Works

Its: EVP, Chief Human Resources Officer

Address:

Date: _____, 2024

ATTACHMENT A
FORM OF WAIVER AND RELEASE AGREEMENT

In consideration for the benefits to be provided to me under the terms of the Executive Severance Agreement by and between US Foods, Inc. (the "Company") and me, effective May 22, 2023 (the "Agreement"), I hereby acknowledge, understand and agree under this Waiver and Release Agreement (the "Release") to the following:

1. General Release. In consideration of the foregoing, including, without limitation, payment to me of the determined amounts under the Agreement, I unconditionally release the Company and all of its partners, affiliates, parents, predecessors, successors and assigns, and their respective officers, directors, trustees, employees, agents, administrators, representatives, attorneys, insurers or fiduciaries, past, present or future (collectively, the "Released Parties") from any and all administrative claims, actions, suits, debts, demands, damages, claims, judgments, or liabilities of any nature, including costs and attorneys' fees, whether known or unknown, including, but not limited to, all claims arising out of my employment with or separation from the Company and (by way of example only) any claims for bonus, severance, or other benefits apart from the benefits set forth in the Agreement; claims for breach of contract, wrongful discharge, tort claims (e.g., infliction of emotional distress, defamation, negligence, privacy, fraud, misrepresentation); claims under federal, state and local wage and hour laws and wage payment laws; claims for reimbursements; claims for commissions; or claims under the following, in each case, as amended: 1) Title VII of the Civil Rights Act of 1964 (race, color, religion, sex and national origin discrimination); 2) 42 U.S.C. § 1981 (discrimination); 3) the Equal Pay Act of 1963, 29 U.S.C. § 206(d) (1) (equal pay); 4) Executive Order 11246 (race, color, religion, sex and national origin discrimination); 5) Age Discrimination in Employment Act and Executive Order 11,141 (age discrimination) ("ADEA"); 6) the Americans with Disabilities Act of 1990, 42 U.S.C. § 12101, et seq.; 7) the Family and Medical Leave Act; 8) the Immigration Reform and Control Act; 9) the Sarbanes-Oxley Act; 10) the Dodd-Frank Wall Street and Consumer Protection Act; 11) the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1001 et seq.; 12) the Vietnam Era Veterans Readjustment Assistance Act; 13) §§ 503-504 of the Rehabilitation Act of 1973 (handicap discrimination); 14) the Illinois Human Rights Act, the Illinois Whistleblower Act, and all other state, federal, or local laws, statutes, regulations, common laws or claims at equity, relating to conduct or events occurring prior to the date of this Release.

2. General Release Exclusions. This Release shall not extend to or include the following: (a) any rights or obligations under applicable law which cannot be waived or released pursuant to an agreement, such as the right to file a charge with or participate in an investigation by a government agency such as the Equal Employment Opportunity Commission (although you waive any right to monetary recovery should any agency pursue any claims on your behalf, except that you may receive money properly awarded by the U.S. Securities and Exchange Commission as a securities whistleblower incentive); (b) any rights or claims that arise after the date of this Release; (c) any rights I may have under US Foods Holding Corp.'s, the Company's, or any applicable affiliate's Director's and Officer's insurance policy or under US Foods Holding Corp.'s, the Company's, or any applicable affiliate's charter or by-laws; (d) any rights I may have under the Company's 2007 Stock Incentive Plan for Key Employees of USF Holding Corp. and its Affiliates or any other equity plan maintained by the Company or its affiliates; (e) the right to enforce this Agreement; or (f) any rights I may have under any benefit plans maintained by the Company or its affiliates. I represent and warrant that, as of the Effective Date, I have not assigned or transferred any claims of any nature that I would otherwise have against the Company, its successors or assigns. I further agree to waive my rights under any other statute or regulation, state or federal, which provides that a general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known to him must have materially affected his settlement with the debtor.

3. Intent of Release; Covenant Not to Sue. I intend this Release to be binding on my successors, and I specifically agree not to file or continue any claim in respect of matters covered by this Release. I further agree never to institute any suit, complaint, proceeding, grievance or action of any kind at law, in equity, or otherwise in any court of the United States or

in any state, or in any administrative agency of the United States or any state, county or municipality, or before any other tribunal, public or private, against the Company arising from or relating to my employment with or my termination of employment from the Company and/or any other occurrences to the date of this Release, other than a claim challenging the validity of this Release under the ADEA.

4. Whistleblowing. You agree that (i) no one interfered with your ability to report within the Company possible violations of any law, and (ii) it was the Company's policy throughout your employment to encourage such reporting.

5. Acknowledgments. I further acknowledge and agree that:

- (A) My waiver of rights under this Release is knowing and voluntary and in compliance with the Older Workers Benefit Protection Act of 1990 ("OWBPA");
- (B) I understand the terms of this Release;
- (C) The consideration offered by the Company under the Agreement in exchange for the signing of this Release represents consideration over and above that to which I would otherwise be entitled, and that the consideration would not have been provided had I not agreed to sign this Release and do not sign this Release;
- (D) The Company is hereby advising me in writing to consult with an attorney prior to executing this Release;
- (E) The Company is giving me a period of twenty-one (21) days within which to consider this Release;
- (F) Following my execution of this Release, I have seven (7) days in which to revoke this Release by written notice. An attempted revocation not actually received by the Company prior to the revocation deadline will not be effective;
- (G) This entire Release shall be void and of no force and effect if I choose to so revoke, and if I choose not to so revoke this Release shall then become effective and enforceable.

This Section does not waive rights or claims that may arise under the ADEA after the date I sign this Release. To the extent barred by the OWBPA, the covenant not to sue contained in Section 3 does not apply to claims under the ADEA that challenge the validity of this Release.

To revoke this Release, I must send a written statement of revocation to:

U S Foods, Inc.
9399 W. Higgins Road, Suite 100
Rosemont, Illinois 60018
Attn: General Counsel

The revocation must be received no later than 5:00 p.m. on the seventh day following my execution of this Release. If I do not revoke, the eighth day following my acceptance will be the "Effective Date" of this Release.

I acknowledge that I remain bound by, and reaffirm my intention to comply with, continuing obligations under any agreements between myself and the Company, as presently in effect, including, but not limited to, my post-employment obligations set forth in the Agreement.

BY SIGNING THIS RELEASE, I ACKNOWLEDGE THAT: I HAVE READ THIS RELEASE AND UNDERSTAND ITS TERMS; I HAVE HAD THE OPPORTUNITY TO REVIEW THIS RELEASE WITH LEGAL OR OTHER PERSONAL ADVISORS OF MY OWN CHOICE; I UNDERSTAND THAT BY SIGNING THIS RELEASE I AM RELEASING THE RELEASED PARTIES OF ALL CLAIMS AGAINST THEM; I HAVE BEEN GIVEN TWENTY-ONE DAYS TO CONSIDER THE TERMS AND EFFECT OF THIS RELEASE AND I VOLUNTARILY AGREE TO ITS TERMS.

SIGNED this _____ day of _____, 20____.

[SAMPLE—to be executed at the time of termination]

Exhibit 10.3

EXECUTIVE SEVERANCE AGREEMENT

This Executive Severance Agreement (the "Agreement"), effective as of _____, __, 2024, (the "Effective Date"), is made and entered into by and between US Foods, Inc. (the "Employer" or the "Company") and _____ the "Executive").

AGREEMENT

In consideration of the foregoing, of the mutual promises contained herein and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Employer and the Executive intend to be legally bound and agree as follows:

1. Term of Employment. Executive's employment under this Agreement (the "Term") shall commence on the Effective Date and shall continue until Executive's employment is terminated pursuant to the terms of Section 4 of this Agreement. The date on which Executive's employment is terminated pursuant to Section 4 of this Agreement shall be the "Termination Date."

2. Employment At Will. Executive agrees that no provision in this Agreement shall be construed to create an express or implied employment contract or a promise of employment for any specific period of time. Executive further acknowledges and agrees that Executive's employment with the Employer is "at will" (unless Executive entered into a

written employment contract, signed by an officer of the Employer who is authorized to do so, that expressly provides that Executive's employment is not "at will") and can be terminated at any time by the Employer or the Executive, for any reason or for no reason. Notwithstanding the foregoing, the Executive agrees to provide the Company with forty-five (45) days' notice of his or her intent to terminate the employment relationship; provided, however, that such notice period may be waived by the Company in its discretion, upon request by the Executive.

3. **Duties.** During the Term, the Executive will serve as _____ for the Employer. The Executive will have the powers and authority normally associated with such position. The Employer reserves the right to change the Executive's office or title from time to time during the Term. In addition, the Executive will assume such other responsibilities, consistent with Executive's position, as the Employer may delegate to the Executive from time to time. The Executive will be employed on a fulltime basis and shall devote his or her full employment time, efforts and energy to the performance of his or her duties for the Employer. Executive agrees that, during the Term, Executive will not engage in any other employment, occupation, consulting or other business activity, nor will Executive engage in any activities that conflict with Executive's obligations to the Company.

4. **Termination.** The Executive shall be entitled to the following payments and benefits should his or her employment with the Employer terminate under the conditions described below:

4.1 *Resignation for Good Reason.* The Executive may terminate his or her employment for "Good Reason" at any time upon forty-five (45) days' notice to the Employer. For this purpose, "Good Reason" shall be deemed to exist if, absent the Executive's written consent: (i) there is a material diminution in title and/or duties, responsibilities or authority of the Executive; provided, that a decrease in job grade, standing alone, will not qualify as a material diminution; (ii) the Employer changes the geographic location of the Executive's principal place of business to a location that is at least fifty (50) miles away from the geographic location of the Executive's principal place of business prior to such change ("Relocation"); (iii) there is a willful failure or refusal by the Employer to perform any material

obligation under this Agreement; or (iv) there is a reduction in the Executive's annual rate of base salary as in effect on the date of this Agreement (or as the same may be increased hereafter) ("Annual Base Salary") or annual bonus target percentage of base salary as in effect on the date of this Agreement (or as the same may be increased hereafter) (the "Target Bonus Percentage"), other than a reduction which is part of a general cost reduction affecting at least ninety percent (90%) of the executives of the Employer holding positions of comparable levels of responsibility (or who are otherwise commonly aggregated for purposes of applying compensation and benefits programs) and which does not exceed ten percent (10%) of the Executive's Annual Base Salary and Target Bonus Percentage, in the aggregate, when combined with any such prior reductions; provided, however, and notwithstanding anything to the contrary in this Agreement, that if the condition described in clause (iv) occurs and the Executive terminates employment for Good Reason, then any severance payments or benefits determined under this Agreement with reference to the Executive's Annual Base Salary and Target Bonus Percentage, shall instead be determined prior to any reduction in the Executive's Annual Base Salary and Target Bonus Percentage described in clause (iv) of this Agreement. In any case of any event described in clauses (i) through (iv) above, the Executive shall only have ninety (90) days from the date the event that constitutes Good Reason first arises to provide the Employer with written notice of the grounds for a Good Reason termination, and the Employer shall have a period of thirty (30) days to cure after receipt of the written notice. Following

the expiration of the Company's thirty (30) day cure period, the Executive shall have sixty (60) days to resign due to Good Reason. Resignation by the Executive following Employer's cure or before the expiration of the thirty (30) day cure period shall constitute a voluntary resignation and not a termination for Good Reason.

4.2 Resignation Not for Good Reason. The Executive may terminate his or her employment for other than "Good Reason" at any time upon forty-five (45) days' notice to the Employer.

4.3 For Cause Termination. The Employer may terminate Executive's employment for "Cause" at any time upon written notice to the Executive. For this purpose, "Cause" shall be deemed to exist if (i) the Employer determines in good faith and following a reasonable investigation that the Executive has committed fraud, theft or embezzlement from the Employer; (ii) the Executive pleads guilty or *nolo contendere* to or is convicted of any felony or other crime involving moral turpitude, fraud, theft, or embezzlement; (iii) the Executive willfully fails or refuses to perform any material obligation under this Agreement or to carry out the reasonable directives of the Executive's supervisor, and the Executive fails to cure the same within a period of 30 days after written notice of such failure is provided the Executive by the Employer; or (iv) the Executive has engaged in on-the-job conduct that violates the Employer's written Code of Ethics or company policies, and which is materially detrimental to the Employer. The Executive's resignation in advance of an anticipated termination for Cause shall constitute a termination for Cause.

4.4 Not for Cause Termination. The Employer may terminate Executive's employment without "Cause" at any time upon forty-five (45) days' notice to the Executive.

4.5 Disability. The Executive's employment and this Agreement shall terminate in the event of the Executive's "Permanent Disability"; provided, however, that the Agreement shall remain in force solely for the purpose of payment of any benefits which accrued or were triggered prior to or by reason of the Executive's "Permanent Disability". For this purpose, a "Permanent Disability" shall be deemed to exist if the Executive becomes eligible to receive long-term disability benefits under any long-term disability plan or program maintained by the Employer for its employees.

4.6 Death. This Agreement shall terminate upon the Executive's death; provided, however, that the Agreement shall remain in force solely for the purpose of payment of any benefits which accrued or were triggered prior to or by reason of the Executive's death, and in such event such benefits, if any, shall be paid to the Executive's designated beneficiary.

5. Compensation and Benefits Upon Termination.

5.1 Upon the termination of the Executive's employment for any reason, the Employer will pay to the Executive all accrued but unpaid base salary, at the rate then in effect, through the date of the Executive's termination of active employment. The Executive shall also be entitled to payment of other vested benefits accrued to the date of termination of employment in accordance with the terms and conditions of the applicable plans in which the Executive is a participant.

5.2 If at any time during the Term of the Agreement prior to a Change in Control (as defined below), (i) the Executive terminates his or her employment for Good Reason or (ii) the Employer terminates the Executive's employment without Cause, and, in either case, the Executive executes (and does not later revoke) a Waiver and Release Agreement, and satisfies the Payment Preconditions (as defined below), then the following paragraphs (a) through (g) shall apply. The "Payment Preconditions" are: (i) the Waiver and Release Agreement shall be substantially in the form provided as Attachment A, subject to any modifications deemed necessary by the Employer in its sole discretion to reflect developments in the law following the date of this Agreement, (ii) the Executive shall have executed the Waiver and Release Agreement within the time period specified by the Employer (which shall not exceed 52 days following the Executive's termination of employment), and (iii) the Executive shall have complied with all of the Executive's obligations under Section 6 of this Agreement.

(a) *Base Salary and Payment Schedule.* The Employer shall pay the Executive an amount equal to twelve (12) months of the Executive's Annual Base Salary in effect immediately prior to the date of Executive's termination of employment. Such amount shall be paid in equal installments over a period of twelve (12) months in accordance with the Company's regular payroll schedule, with such payments to begin, in the Company's sole discretion, no later than sixty (60) days following the date of the Executive's termination of employment (with any installment payment that would, but for the delay of such payment by the Company, otherwise have been payable if such installment payments had begun on the first payroll period following such date of termination of employment, also being paid on the date the Company first begins payment of such amounts).

(b) *Bonus.*

(1) *Pro Rata Portion.* The Employer shall pay the Executive an amount equal to a pro-rata portion of the amount of the annual cash bonus that the Executive would have earned under the Employer's annual incentive program in respect of the calendar year in which the Executive's termination of employment occurred, based on the Employer's achievement of the applicable criteria for such year. Such amount shall be pro-rated based on the period of time from January 1 of the calendar year in which the termination occurred to the date of actual termination of employment, notwithstanding any contrary term of the incentive program that would require the Executive to remain employed until the date of payment. This payment shall be made when the Employer makes its incentive payments to its active employees under and in accordance with the terms of the applicable annual incentive program.

(2) *Fixed Portion.* The Employer shall also pay the Executive an amount equal to the product of: (A) the Executive's then current Target Bonus Percentage, multiplied by (B) the Executive's then current Annual Base Salary. Such amount shall be paid in equal installments over a period of twelve (12) months in accordance with the Company's regular payroll schedule, with such payments to begin, in the Company's sole discretion, no later than sixty (60) days following the date of the Executive's termination of employment (with any installment payment that would, but for the delay of such

payment by the Company, otherwise have been payable if such installment payments had begun on the first payroll period following such date of termination of employment, also being paid on the date that the

Company first begins payment of such amounts).

The following example illustrates the application of Section 5.2(b)(2).

Example 1. At the time of the Executive's termination of employment, the Executive's Annual Base Salary is \$xxx, and the Executive's Target Bonus Percentage is [x]%. The amount calculated pursuant to Section 5.2(b)(2) would be (A) [x]%, multiplied by (B) \$xxx, or \$xxx.

(c) *Stock Options and Other Equity Awards.* If, upon the date of termination of the Executive's employment, the Executive holds any options or other equity awards with respect to stock of the Employer or US Foods Holding Corp., then all such options and equity awards shall be treated in accordance with the terms of the relevant stock incentive plan document and individual award agreement.

(d) *Health Benefits.* Upon the Executive's termination of employment, the Executive will be eligible to elect individual and dependent continuation group medical and dental coverage, as provided under Internal Revenue Code ("Code")Section 4980B(f) ("COBRA"),for the maximum COBRA coverage period available, subject to all conditions and limitations (including payment of premiums and cancellation of coverage upon obtaining duplicate coverage or Medicare entitlement). If the Executive elects COBRA coverage, the Employer shall pay to the Executive, in a single payment, the aggregate premium costs to the Executive of the elected COBRA coverage (including the cost of COBRA coverage for any spouse or other dependents of the Executive who are qualified beneficiaries under COBRA and enrolled in the applicable group medical and dental coverage as of the Executive's termination date) for the twelve (12) month period beginning with the first day of the month following the Executive's termination date. The Executive (or dependents, as applicable) shall be responsible for paying the full cost of the COBRA coverage (including the two percent (2%) administrative charge) effective with the first day of the month following the Executive's termination date.

(e) *Vacation.* The Executive shall be entitled to a payment attributable to base salary for unused vacation accrued during the calendar year of the Executive's termination of employment. The Executive shall not accrue any vacation after termination of employment, nor shall the Executive be entitled to payment for unused vacation from years other than the calendar year of the Executive's termination of employment. Payment for accrued unused vacation shall be made to the Executive in a lump sum within sixty (60) days following the date of the Executive's termination of employment, or such shorter period as required by applicable law.

(f) *Outplacement Services.* The Executive shall be entitled to career transition and outplacement services to include one-on-one coaching covering reemployment, career changes, entrepreneurial/consulting ventures, etc., and access to comprehensive office and administrative services for a period not to exceed twelve (12) months following Executive's termination date. Such outplacement services will be provided by an outside organization selected and paid for by the Employer.

(g) *Effect upon Other Benefits.* Notwithstanding the foregoing, the period of time during which the Executive receives benefits following termination of employment shall not count as service or employment with the Employer, and the amount of any payments under this Agreement shall not be treated as compensation paid by the Employer, for purposes of any other employee benefit plan, policy, program or arrangement maintained by the Employer. During the Term, the Executive shall be ineligible for any severance payments and benefits under the Company's Severance Plan (or any successor thereto) and shall be eligible for severance benefits only as provided in this Agreement.

5.3 If at any time within eighteen (18) months following a Change in Control, (i) the Executive terminates his or her employment for Good Reason or (ii) the Employer terminates the Executive's employment without Cause, and, in either case, the Executive executes (and does not later revoke) a Waiver and Release Agreement, and satisfies the Payment Preconditions, then the following paragraphs (a) through (h) shall apply:

(a) *Base Salary and Payment Schedule.* The Employer shall pay the Executive an amount equal to eighteen (18) months of the Executive's Annual Base Salary in effect immediately prior to the date of Executive's termination of employment. Such amount shall be paid as a lump-sum payment no later than sixty (60) days following the date of the Executive's termination of employment.

(b) *Bonus.*

(1) *Pro Rata Portion.* The Employer shall pay the Executive an amount equal to a pro-rata portion of the amount of the annual cash bonus that the Executive would have earned under the Employer's annual incentive program in respect of the calendar year in which the Executive's termination of employment occurred, based on the Executive's then current Target Bonus Percentage. Such amount shall be pro-rated based on the period of time from January 1 of the calendar year in which the termination occurred to the date of actual termination of employment, notwithstanding any contrary term of the incentive program that would require the Executive to remain employed until the date of payment. Such amount shall be paid as a lump-sum payment no later than sixty (60) days following the date of the Executive's termination of employment.

(2) *Fixed Portion.* The Employer shall also pay the Executive an amount equal to the product of: (A) the Executive's then current Target Bonus Percentage, multiplied by (B) the Executive's then current Annual Base Salary, multiplied by (C) one and one half (1 1/2). Such amount shall be paid as a lump-sum payment no later than sixty (60) days following the date of the Executive's termination of employment.

The following example illustrates the application of Section 5.3(b)(2).

Example 1. At the time of the Executive's termination of employment, the Executive's Annual Base Salary is \$xxx, and the Executive's Target Bonus Percentage is [x]%. The amount calculated pursuant to Section 5.3(b)(2) would be (A) [x]%, multiplied by (B) \$xxx multiplied by (C) 1.5, or \$xxx.

(c) *Stock Options and Other Equity Awards.* If, upon the date of termination of the Executive's employment, the Executive holds any options or other equity awards with respect to stock of the Employer or US Foods Holding Corp., then all such options and equity awards shall be treated in accordance with the terms of the relevant stock incentive plan document and individual award agreement.

(d) *Health Benefits.* Upon the Executive's termination of employment, the Executive will be eligible to elect individual and dependent continuation group medical and dental coverage, as provided under COBRA, for the maximum COBRA coverage period available, subject to all conditions and limitations (including payment of premiums and

cancellation of coverage upon obtaining duplicate coverage or Medicare entitlement). If the Executive elects COBRA coverage, the Employer shall pay to the Executive, in a single payment, the aggregate premium costs to the Executive of the elected COBRA coverage (including the cost of COBRA coverage for any spouse or other dependents of the Executive who are qualified beneficiaries under COBRA and enrolled in the applicable group medical and dental coverage as of the Executive's termination date) for the eighteen (18) month period beginning with the first day of the month following the Executive's termination date. The Executive (or dependents, as applicable) shall be responsible for paying the full cost of the COBRA coverage (including the two

percent (2%) administrative charge) effective with the first day of the month following the Executive's termination date.

(e) *Vacation.* The Executive shall be entitled to a payment attributable to base salary for unused vacation accrued during the calendar year of the Executive's termination of employment. The Executive shall not accrue any vacation after termination of employment, nor shall the Executive be entitled to payment for unused vacation from years other than the calendar year of the Executive's termination of employment. Payment for accrued unused vacation shall be made to the Executive in a lump sum within sixty (60) days following the date of the Executive's termination of employment, or such shorter period as required by applicable law.

(f) *Outplacement Services.* The Executive shall be entitled to career transition and outplacement services to include one-on-one coaching covering reemployment, career changes, entrepreneurial/consulting ventures, etc., and access to comprehensive office and administrative services for a period not to exceed twelve (12) months following Executive's termination date. Such outplacement services will be provided by an outside organization selected and paid for by the Employer.

(g) *Effect upon Other Benefits.* Notwithstanding the foregoing, the period of time during which the Executive receives benefits following termination of employment shall not count as service or employment with the Employer, and the amount of any payments under this Agreement shall not be treated as compensation paid by the Employer, for purposes of any other employee benefit plan, policy, program or arrangement maintained by the Employer. During the Term, the Executive shall be ineligible for any severance payments and benefits under the Company's Severance Plan (or any successor thereto) and shall be eligible for severance benefits only as provided in this Agreement.

(h) *Change in Control.* For purposes of this Agreement, a "Change in Control" means if there occurs any of the following: (a) the acquisition (whether by purchase, merger, consolidation, combination or other similar transaction) by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended, and any successor thereto (the "Exchange Act")) (each such individual, entity or group, a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of more than 50% (on a fully diluted basis) of either (i) the then outstanding shares of common stock of US Foods Holding Corp., par value \$0.01 per share (and any stock or other securities into which such Common Stock may be converted or into which it may be exchanged ("Common Stock")), taking into account as outstanding for this purpose such Common Stock issuable upon the exercise of options or warrants, the conversion of convertible stock or debt, and the exercise of any similar right to acquire such Common Stock or (ii) the combined voting power of the then outstanding voting securities of US Foods Holding Corp. entitled to vote generally in the election of directors; provided, however, that for purposes of this

Agreement, the following acquisitions shall not constitute a Change in Control: (1) any acquisition by US Foods Holding Corp. or any Person that directly or indirectly controls, is controlled by, or is under common control with US Foods Holding Corp. (with the term “control” (including, with correlative meaning, the terms “controlled by” and “under common control with”), as applied to any Person, meaning the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting or other securities, by contract, or otherwise) (each such Person, an *Affiliate*); (2) any acquisition by any employee benefit plan sponsored or maintained by US Foods Holding Corp. or any Affiliate; or (3) in respect of an equity award issued pursuant to any stock incentive plan of the Company or US Foods Holding Corp. held by the Executive, any acquisition by the Executive or any group of Persons (within the meaning of Rule 13d-3 promulgated under the Exchange Act) including the Executive (or any entity controlled by the Executive or any group of Persons including the Executive); (b) during any period of twelve (12) months, individuals (the “*Incumbent Directors*”) who, at the beginning of such period, constitute the Board of Directors of US Foods Holding Corp. (the “*USFD Board*”) cease for any reason to constitute at least a majority of the *USFD Board*, provided, that any person becoming a director

subsequent to the date hereof, whose election or nomination for election was approved by a vote of at least two-thirds of the *Incumbent Directors* then on the *USFD Board* (either by a specific vote or by approval of the proxy statement of US Foods Holding Corp. in which such person is named as a nominee for director, without written objection to such nomination) shall be an *Incumbent Director*; provided, however, that no individual initially elected or nominated as a director of US Foods Holding Corp. as a result of an actual or threatened election contest, as such terms are used in Rule 14a-12 of Regulation 14A promulgated under the Exchange Act, with respect to directors or as a result of any other actual or threatened solicitation of proxies or consents by or on behalf of any person other than the *USFD Board* shall be deemed to be an *Incumbent Director*; or (c) the sale, transfer or other disposition of all or substantially all of the assets of US Foods Holding Corp. to any Person that is not an Affiliate of US Foods Holding Corp.

5.4 Notwithstanding anything in this Agreement to the contrary, payments and benefits under Section 5.2 or Section 5.3, as the case may be, shall not be made or be available if the Executive’s termination of employment is due to the Executive’s death (except as set forth in Section 4.6), Permanent Disability (except as set forth in Section 4.5), voluntary resignation without Good Reason, or involuntary termination by the Employer with Cause.

5.5 The Employer may withhold from any amounts payable under this Agreement such United States federal, state, or local taxes, or any foreign taxes, as shall be required to be withheld pursuant to any applicable law or regulation.

5.6 The Executive shall not be required to mitigate the amount of any payment contemplated by this Agreement (whether by seeking new employment or in any other manner), nor shall any such payment be reduced by any compensation that the Executive may receive from any other source.

5.7 This Agreement is intended to comply with Section 409A of the Code and will be interpreted in a manner intended to comply with Section 409A of the Code. The payments to Executive pursuant to this Agreement are also intended to be exempt from Section 409A of the Code to the maximum extent possible, under either the separation pay exemption pursuant to Treas. Reg. Section 1.409A-1(b)(9)(iii) or as short-term deferrals pursuant to Treas. Reg. Section 1.409A-1(b)(4). Notwithstanding anything herein to the contrary, (i) if at the time of Executive’s termination of employment

with the Employer, he or she is a "specified employee" as defined in Section 409A of the Code (and any related regulations or other pronouncements thereunder) and the deferral of the commencement of any payments or benefits otherwise payable hereunder as a result of such termination of employment is necessary in order to prevent any accelerated or additional tax under Section 409A of the Code, then the Employer will defer the commencement of the payment of any such payments or benefits hereunder (without any reduction in such payments or benefits ultimately paid or provided to the Executive) until the date that is six (6) months following the Executive's termination of employment with the Employer (or the earliest date as is permitted under Section 409A of the Code) and (ii) if any other payments of money or other benefits due to the Executive hereunder could cause the application of an accelerated or additional tax under Section 409A of the Code, such payments or other benefits shall be deferred if deferral will make such payment or other benefits compliant under Section 409A of the Code, or otherwise such payment or other benefits shall be restructured, to the extent possible, in a manner, determined by the Employer, that does not cause such an accelerated or additional tax. To the extent any reimbursements or in-kind benefits due to the Executive under this Agreement constitute "deferred compensation" under Section 409A of the Code, any such reimbursements or in-kind benefits shall be paid to Executive in a manner consistent with Treas. Reg. Section 1.409A-3(i)(l)(iv). Each payment made under this Agreement shall be designated as a "separate payment" within the meaning of Section 409A of the Code. Additionally, for purposes of Section 409A of the Code, (i) if the commencement of any payment or benefit provided under Section 5.2 or Section 5.3, as the case may be, that constitutes "deferred compensation" under Section 409A of the Code could, by application of the terms of Section 5.2 or Section 5.3, as the case may be, occur in one of two taxable years, then the commencement of such

payment or benefit shall begin on the first payroll date occurring in January of such second taxable year and (ii) any references herein to Executive's "termination of employment" shall refer to Executive's "separation from service" with the Employer and its affiliates within the meaning of Section 409A of the Code. In addition, to the extent any payment hereunder constitutes "nonqualified deferred compensation," and a Change in Control occurs that is not a "change in control event," in each case as such terms are defined under Section 409A of the Code, then such amount shall be paid pursuant to the schedule set forth in Section 5.2.

6. Confidential Information; Non-Competition/Non-Interference. The Executive acknowledges by signing this Agreement that (i) the principal business of US Foods Holding Corp. and its subsidiaries (including the Employer), and including any future acquired subsidiaries (any such subsidiaries, "Affiliate Subsidiaries", and collectively with US Foods Holding Corp., the "USF Group") is the foodservice distribution business, including the acquisition, procurement, production, sale and distribution of food and related products, equipment, goods and services to restaurants, schools, hospitals, and other institutions or establishments that serve food (the "Present Business"); (ii) the Employer or any Affiliate Subsidiary constitute one of a limited number of persons who have developed the Present Business; (iii) the Executive's work for the Employer or any Affiliate Subsidiary has given and will continue to give the Executive access to the confidential affairs and proprietary information of the Employer or any Affiliate Subsidiary, not readily available to the public; and (iv) the agreements and covenants of the Executive contained in this Section 6 are essential to the business and goodwill of the Employer or any Affiliate Subsidiary. Accordingly, the Executive agrees as follows:

6.1 Confidentiality. The Executive shall hold in a fiduciary capacity for the benefit of the Employer all secret or confidential information, knowledge or data relating to the Employer or any affiliated companies, and their respective

businesses, employees, suppliers or customers, which shall have been obtained by Executive during the Executive's employment by the Employer and which shall not be or become public knowledge ("Confidential Information"). During the Term and after termination of Executive's employment with the Employer, the Executive shall not, without the prior written consent of the Employer or as otherwise may be required by law or legal process (provided, that the Executive shall give the Employer reasonable notice of such process, and the ability to contest it), communicate or divulge any Confidential Information to anyone other than the Employer and those designated by it. Notwithstanding the above, this Agreement shall not prevent Executive from revealing evidence of criminal wrongdoing to law enforcement or prohibit Executive from divulging Confidential Information by order of court or agency of competent jurisdiction, or from making other disclosures that are protected under the provisions of law or regulation. Nothing in this Agreement prohibits Executive from reporting possible violations of federal law or regulation to any governmental agency or entity, including but not limited to the Department of Justice, the Securities and Exchange Commission, the Congress, and any Inspector General, or making other disclosures that are protected under the whistleblower provisions of applicable law or regulation. Executive does not need the prior authorization of Employer to make any such reports or disclosures, and Executive is not required to notify Employer that Executive has made such reports or disclosure.

Executive acknowledges and agrees that the Company has provided Executive with written notice below that the Defend Trade Secrets Act, 18 U.S.C. § 1833(b), provides an immunity for the disclosure of a trade secret to report suspected violations of law and/or in an anti-retaliation lawsuit, as follows:

(1) **IMMUNITY.** — An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that —

(A) is made —

(i) in confidence to a Federal, State or local government official, either directly or indirectly, or to an attorney; and

(ii) solely for the purpose of reporting or investigating a suspected violation of law; or

(B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

(2) **USE OF TRADE SECRET INFORMATION IN ANTI-RETALIATION LAWSUIT.**—An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual—

(A) files any document containing the trade secret under seal; and

(B) does not disclose the trade secret, except pursuant to court order.

6.2 Return of Property. Executive acknowledges and agrees that Executive has no expectation of privacy with respect to Employer's telecommunications, networking or information processing systems (including, without limitation, stored company files, email messages and voice messages) and that Executive's activity and any files or messages on or using any of those systems may be monitored at any time without notice. Executive further acknowledges and agrees that all records, files, customer order guides, pricelists, photo/videographic materials, computers, and computer related equipment (e.g. hardware, software, disks, electronic storage devices, etc.), cell phones, smart phones, Blackberries, personal data assistants, keys, equipment, access cards, passwords, access codes, badges, credit cards or other tangible material, and all other documents, including but not limited to Confidential Information, that Executive receives, acquires, produces or has access to as a result of Executive's employment with Employer (regardless of the medium in which any information is stored) (collectively "*Property*"), are the exclusive property of Employer. The Executive also agrees that upon leaving the Employer's employ, he or she will not take with him or her, and he or she will surrender to the Employer, any record, list, drawing, blueprint, specification or other document or *Property* of the Employer, its subsidiaries and Affiliates, together with any copy and reproduction thereof, mechanical or otherwise, which is of a confidential nature relating to the Employer, its subsidiaries and Affiliates, or, without limitation, relating to its or their method of distribution, client relationships, marketing strategies or any description of formulae or secret processes, or which was obtained by Executive or entrusted to Executive during the course of his or her employment with the Employer. The Executive agrees to return to the Employer all books, records, lists and other written, typed, printed or electronically stored materials, whether furnished by the Employer or prepared by the Executive, which contain any information relating to the Employer, its subsidiaries and Affiliates, including their respective businesses, employees, suppliers or customers, promptly upon termination of this Agreement, and the Executive shall neither make nor retain any copies of such material without the prior written consent of the Employer.

6.3 Non-Competition. The Executive agrees that during the Term of his or her employment with the Employer and for a period of twelve (12) months after Executive's termination of employment with the Employer for any reason (the "*Restricted Period*"), Executive will not, anywhere within the *Restricted Territory*, engage in Competition with any member of the USF Group. For purposes of this Agreement, "*Competition*" shall mean (a) owning, operating, or controlling (other than as a passive owner of not more than five percent (5%) of the outstanding stock of any class of a corporation) any entity which competes directly or indirectly with any product line or service of the type and/or character offered by or competitive with the USF Group as of the termination of Executive's employment and which is material to the Present Business (a "*Competitor*") or (b) holding any position for a *Competitor* or engaging

in any activities for a *Competitor* as an employee, agent, consultant, independent contractor, or in any other capacity if such position or activities involve: (i) responsibilities similar to responsibilities Executive had or performed for Employer during the Term; (ii) supervision of employees or other personnel in the provision of services that are similar to or competitive with those offered or provided by the USF Group during the Term; (iii) development or implementation of strategies or methodologies related to the provision of services similar to or competitive with the services offered or provided by the USF Group during the Term; or (iv) responsibilities in which Executive would utilize or disclose Confidential Information, provided, that, such restriction shall not apply to a food manufacturing company or business, food retail company or business or other supplier not engaged primarily in foodservice distribution. For purposes of this Agreement, "*Restricted Territory*" shall mean the following geographic territory to the maximum extent determined to be

reasonable by a court of competent jurisdiction: (i) all counties or parishes in the state(s) in which Executive was employed by the Employer during the Term; (ii) all counties or parishes included within any US Foods Region that Executive directly or indirectly managed during the Term; and (iii) all states in the United States of America in which the USF Group conducts business as of the date of the termination of Executive's employment with the Employer. The Executive acknowledges that the geographic restrictions in this Section 6.3 are reasonable and necessary because, during the Term, the Executive will be exposed to Confidential Information and customer relationships on a nationwide basis.

6.4 Non-Solicitation of Restricted Customers. During the Restricted Period, the Executive shall not, directly or indirectly, for the purpose of providing products or services competitive with those conducted, authorized, offered or provided by the Employer, solicit, market, service, contact, sell to or attempt to sell to any Restricted Customer.

(a) For purposes of this Section 6.4, a "Restricted Customer" is any person or entity:

- (1) to whom the Executive sold products or services on behalf of the Company at any time during the Term, including sales performed while the Executive was in training; or
- (2) to whom the Employer sold products or services and with whom the Executive had contact on behalf of the Employer in connection with such sale at any time during the Term; or
- (3) to whom the Employer sold products or services at any time during the Term and which sale was made through any employee of the Employer whom the Executive directly or indirectly managed or supervised (at any level of management or supervision); or
- (4) with regard to whom, at any time during the Term, the Executive (or any employee of the Employer whom the Executive directly or indirectly managed or supervised, at any level of management or supervision): (i) participated in the preparation of a written sales proposal or bid containing Confidential Information to such person or entity on behalf of the Employer; (ii) participated in the setting of prices, margins, or credit terms for such person or entity on behalf of the Employer; or (iii) used or received or created or reviewed any Confidential Information relating to such person or entity on behalf of the Employer; or
- (5) who is, or functions as, a food broker or contract management company or group purchasing organization or otherwise represents one or more customers or negotiates on their behalf, and to whom or through whom Executive or any employee of the Employer whom the Executive directly or indirectly managed or

supervised (at any level of management or supervision) sold products or services on behalf of the Employer at any time during the Term.

(b) Examples of indirect "solicitation, marketing, servicing, contacting, selling to or attempting to sell to" that are prohibited by this Section 6.4 include but are not limited to, providing Confidential Information to a person or entity that is competitive with the Employer regarding a Restricted Customer; advising or encouraging a Restricted Customer to reduce or cease doing business with the Employer or to do business with a person or entity that provides products or services competitive with the Employer; switching or swapping sales, solicitation, or service responsibility for a Restricted Customer with an employee of a person or entity that is competitive with the Employer; participating in the supervision or management of any person or entity that is competitive with the Employer or an employee of such person or entity, regardless of other intervening levels of management or supervision, with regard to a Restricted Customer; participating in the setting of prices, credit terms or margins for a Restricted Customer; participating in developing and executing marketing and sales strategies and decisions affecting a Restricted Customer; and receiving any personal benefit (present or future) in the event a Restricted Customer should do any business with a person or entity that is competitive with the Employer.

6.5 Non-Solicitation of Employees; Non-Interference. The Executive agrees that during the Restricted Period, Executive will not, directly or indirectly, on behalf of Executive or for any other person (other than the Employer), solicit to hire or hire any person (i) who is an employee of the USF Group, or (ii) who has left the employment of the USF Group for a period of six (6) months following the termination of such employee's employment with the USF Group, for employment with any person, business, firm, corporation, partnership or other entity other than the USF Group.

6.6 Exit Interview Requirement. The Executive agrees to be available for an exit interview with a designated Employer representative prior to Executive's departure from Employer to answer questions regarding Executive's departure. Executive also agrees to execute an exit interview certification affirming Executive's compliance with his or her obligations in this Agreement.

6.7 Effect of Other Agreements. In the event Executive executed other written agreements with Employer relating to the subject matter of this Section 6, and/or in the event Executive enters into other written agreements that contain provisions similar to the provisions contained herein, all such provisions shall be interpreted to provide the Employer with cumulative rights and remedies and the benefits and protections provided to the Employer under each such agreement shall be given full force and effect.

6.8 Cooperation. During the Restricted Period, upon reasonable request of the Employer, the Executive shall cooperate in any internal or external investigation, litigation or any dispute relating to any matter in which he or she was involved during his or her employment with the Employer; provided, however, that the Executive shall not be obligated to spend time and/or travel in connection with such cooperation to the extent that it would unreasonably interfere with the Executive's other commitments and obligations. The Employer shall reimburse the Executive for all expenses the Executive reasonably incurs in so cooperating.

6.9 Notification. Before accepting employment with any other person, organization or entity while employed by the Employer and during the Restricted Period, the Executive will inform such person, organization or entity of the restrictions contained in this Section 6. The Executive further consents to notification by Employer to Executive's subsequent employer or other third party of Executive's obligations under this Agreement.

6.10 Other Acknowledgements. The parties acknowledge and agree that the restrictions of this Section 6 have been carefully negotiated at arm's length and are believed by the parties to be reasonable and necessitated by legitimate business needs. Notwithstanding the preceding statement, if any provision

set forth in this Section 6 is determined by any competent court or tribunal to be unenforceable or invalid for any reason, the parties agree that this Section 6 will be interpreted to extend only over the maximum period of time for which it may be enforceable, and/or over the maximum geographical area as to which it may be enforceable, and/or to the maximum extent in any and all respects as to which it may be enforceable, all as determined by such court or tribunal. The parties further acknowledge and agree that the Executive's obligations under this Agreement are unique and that any breach or threatened breach of such obligations may result in irreparable harm and substantial damages to the USF Group. Accordingly, in the event of a breach or threatened breach by the Executive of any of the provisions of this Section 6, any member of the USF Group shall have the right, in addition to exercising any other remedies at law or equity which may be available to it under this Agreement or otherwise, to obtain ex parte, preliminary, interlocutory, temporary or permanent injunctive relief, specific performance and other equitable remedies in any court of competent jurisdiction, to prevent the Executive from violating such provision or provisions or to prevent the continuance of any violation thereof, together with an award or judgment for any and all damages, losses, liabilities, expenses and costs incurred by the USF Group as a result of such breach or threatened breach including, but not limited to, attorneys' fees incurred by the USF Group in connection with, or as a result of, the enforcement of these covenants. The Executive expressly waives any requirement based on any statute, rule or procedure, or other source, that any member of the USF Group post a bond as a condition of obtaining any of the above described remedies.

7. Clawback/Forfeiture of Benefits.

7.1 In addition to the Employer's legal and equitable remedies (including injunctive relief), if the USFD Board or the Board of Directors of the Employer determines (in its sole discretion but acting in good faith) that (i) the Executive has violated any portions of Section 6, or (ii) that any of the Employer's or US Foods Holding Corp.'s financial statements are required to be restated resulting from fraud attributable to the Executive, then (a) the Employer may recover or refuse to pay any of the compensation or benefits that may be owed to the Executive under Section 5.2 or Section 5.3, as the case may be, of this Agreement, and (b) the Employer or US Foods Holding Corp., as the case may be, may prohibit the Executive from exercising all or any options with respect to stock of the Employer or US Foods Holding Corp., or may recover all or any portion of the gain realized by the Executive from (1) such options exercised, (2) the vesting of any equity award received from the Employer or US Foods Holding Corp. or (3) the sale of any equity award received from the Employer or US Foods Holding Corp., in each case in the twelve (12) month period immediately preceding any violation of Section 6 or any restatement of financial statements, or in the periods following the date of any such violation or restatement.

7.2 In addition, Executive acknowledges and agrees that nothing herein will prevent the recoupment of certain incentive-based compensation in the event of an accounting restatement resulting from material noncompliance with financial requirements in accordance with (i) US Foods Holding Corp.'s Policy for the Recovery of Erroneously Awarded Compensation, effective as of December 1, 2023, as it may be amended from time to time, (ii) US Foods Holding Corp.'s Policy for the Recovery of Erroneously Awarded Compensation, effective as of May 25, 2016, or (iii) any such other executive compensation recoupment policy established from time to time by the US Foods Holding Corp.

8. Excise Tax Matters.

(a) Anything in this Agreement to the contrary notwithstanding and except as set forth below, in the event it shall be determined that any payment, distribution or other benefit by the Employer or its Affiliates to or for the benefit of the Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise) (collectively, the "Payments") would be subject to the excise tax imposed by Section 4999 of the Code or any interest or penalties are incurred by Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Payments shall be either (i)

delivered in full pursuant to the terms of this Agreement or (ii) delivered to such lesser extent as would result in no portion of the payment being subject to the Excise Tax as determined in accordance with Section 8(b).

(b) The determination of whether Section 8(a)(i) or Section 8(a)(ii) shall be given effect shall be made by Employer on the basis of which of such clauses results in the receipt by Executive of the greater Net After-Tax Receipt (as defined below) of the aggregate Payments. The term "Net After-Tax Receipt" shall mean the present value (as determined in accordance with Section 280G of the Code) of the payments net of all applicable federal, state and local income, employment and other applicable taxes and the Excise Tax.

(c) If Section 8(a)(ii) is given effect, the reduction shall be accomplished in accordance with Section 409A of the Code and the following: first by reducing, on a pro rata basis, cash Payments payable pursuant to this Agreement and then by forfeiting any equity-based awards that vest and become payable, starting with the most recent equity-based awards that vest, to the extent necessary to accomplish such reduction.

(d) Unless Employer and Executive otherwise agree in writing, any determination required under this Section 8 shall be made by Employer's independent accountants or compensation consultants (the "Third Party"), and all such determinations shall be conclusive, final and binding on the parties hereto. Employer and Executive shall furnish to the Third Party such information and documents as the Third Party may reasonably request in order to make a determination under this Section 8. Employer shall bear all fees and costs of the Third Party with respect to all determinations under or contemplated by this Section 8.

9. Resolution of Differences Over Breaches of Agreement. The parties shall use good faith efforts to resolve any controversy or claim arising out of, or relating to this Agreement or the breach thereof. If despite their good faith efforts, the parties are unable to resolve such controversy or claim, then such controversy or claim shall be resolved by arbitration in Chicago, Illinois, with one (1) arbitrator, in accordance with the National Rules for Resolution of Employment Disputes of the American Arbitration Association, and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The arbitrator shall have the discretion to award reasonable attorneys' fees, costs and expenses, including fees and costs of the arbitrator and the arbitration, to the prevailing party. Notwithstanding the above, nothing in this Agreement prevents either the Executive or the Employer from seeking a temporary restraining order, preliminary injunction, or other temporary or interlocutory equitable relief from a court of competent jurisdiction, provided that, following the court's ruling on a petition or application for temporary or equitable injunctive relief, any such action in a court of competent jurisdiction shall be stayed and the remainder of the dispute submitted to binding arbitration for final resolution on the merits.

10. **Complete Agreement.** This Agreement contains the complete agreement and understanding concerning the employment arrangement between the parties and supersedes all other agreements, understandings or commitments between the parties as to such subject matter. No amendment, waiver or revocation of this Agreement shall be effective unless set forth in writing expressly stating the amendment, waiver or revocation and signed by an authorized officer of Employer.

11. **Successors and Assigns.** Executive expressly agrees that this Agreement, including the rights and obligations hereunder, may be transferred and/or assigned by the Employer without the further consent of Executive, and that this Agreement is for the benefit of and may be enforced by and is binding upon Employer, its present and future successors, assigns, subsidiaries, Affiliates, and purchasers, but is not assignable by Executive.

12. **Notices.** All notices required to be given or which may be given under this Agreement must be in writing, must be either personally delivered, or delivered by first class mail (postage prepaid) or by a nationally recognized express courier. Notices will be deemed given when personally delivered, when delivered to the addressee's address (when delivered by express courier) or five (5) days after having been deposited with the U.S. Postal Service if mailed, and addressed as follows:

By: /s/ Stephanie D. Miller

If to the Employer:

US Foods, Inc.
9399 W. Higgins Road, Suite 100
Rosemont, Illinois 60018
Attn: General Counsel

If to the Executive:

To the address set forth by the Executive at the end of this Agreement

Either party may change the address to which such notices are to be addressed by notice thereof to the other party in the manner set forth above.

13. Miscellaneous.

13.1 The Executive agrees that any and all processes, systems, software, technology or other intellectual property created or developed by the Executive as part of the work being performed by him or her for the Employer is "work for hire," which is owned exclusively by the Employer and for which the Employer receives all ownership rights, including the copyrights thereto. The Executive hereby assigns to the Employer any and all right, title and interest the Executive may have in such work.

13.2 This Agreement may be amended, superseded, canceled, renewed or extended, and the terms hereof may be waived, only by a written instrument signed by the parties or, in the case of a waiver, by the party waiving compliance. No delay on the part of either party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of either party of such rights, power or privilege or any single or partial exercise

of any such right, power or privilege, preclude any other further exercise thereof or the exercise of any other such right, power or privilege.

13.3 If any portion of this Agreement is held unenforceable or inoperative for any reason, such portion will not affect any other portion of this Agreement, and the remainder will be as effective as though the ineffective portion had not been contained in this Agreement.

13.4 The validity of this Agreement and of any of the terms or provisions as well as the rights and duties of the parties hereunder will be governed by the laws of the State of Illinois (excluding the conflict of laws provisions thereof). Except for claims subject to the mandatory arbitration provision in Section 9 of this Agreement, the exclusive venue for any litigation between Executive and Employer based upon any fact, matter or claim arising out of or relating to this Agreement shall be the state or federal courts located in Chicago, Illinois, and Executive hereby consent to any such court's exercise of personal jurisdiction over him or her for such purpose. Executive acknowledges and agrees that Executive has significant material connections with Illinois. Executive shall not challenge jurisdiction in Illinois on any grounds including forum non conveniens or lack of personal jurisdiction.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date below.

EMPLOYER:

US Foods, Inc.

By: J. David Works

Its: EVP and Chief Human Resources Officer

EXECUTIVE

Name:

Stephanie D. Miller

Title: [NAME]

Corporate Secretary

Address:

Date: _____, 2024

ATTACHMENT A
FORM OF WAIVER AND RELEASE AGREEMENT

In consideration for the benefits to be provided to me under the terms of the Executive Severance Agreement by and between US Foods, Inc. (the "Company") and me, effective , , 20(the "Agreement"), I hereby acknowledge, understand and agree under this Waiver and Release Agreement (the "Release") to the following:

- 1. General Release.** In consideration of the foregoing, including, without limitation, payment to me of the determined amounts under the Agreement, I unconditionally release the Company and all of its partners, affiliates, parents, predecessors, successors and assigns, and their respective officers, directors, trustees, employees, agents, administrators, representatives, attorneys, insurers or fiduciaries, past, present or future (collectively, the "Released Parties") from any and all administrative claims, actions, suits, debts, demands, damages, claims, judgments, or liabilities of any nature, including costs and attorneys' fees, whether known or unknown, including, but not limited to, all claims arising out of my employment with or separation from the Company and (by way of example only) any claims for bonus, severance, or other benefits apart from the benefits set forth in the Agreement; claims for breach of contract, wrongful discharge, tort claims (e.g., infliction of emotional distress, defamation, negligence, privacy, fraud, misrepresentation); claims under federal, state and local wage and hour laws and wage payment laws; claims for reimbursements; claims for commissions; or claims under the following, in each case, as amended: 1) Title VII of the Civil Rights Act of 1964 (race, color, religion, sex and national origin discrimination); 2) 42 U.S.C. § 1981 (discrimination); 3) the Equal Pay Act of 1963, 29 U.S.C. § 206(d) (1) (equal pay); 4) Executive Order 11246 (race, color, religion, sex and national origin discrimination); 5) Age Discrimination in Employment Act and Executive Order 11,141 ("ADEA") (age discrimination); (6) the Americans with Disabilities Act of 1990, 42 U.S.C. § 12101, et seq.; 7) the Family and Medical Leave Act; 8) the Immigration Reform and Control Act; 9) the Sarbanes-Oxley Act; 10) the Dodd-Frank Wall Street and Consumer Protection Act; 11) the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1001 et seq.; 12) the Vietnam Era Veterans Readjustment Assistance Act; 13) §§ 503-504 of the Rehabilitation Act of 1973 (handicap discrimination); 14) the Illinois Human Rights Act, the Illinois Whistleblower Act, and all other state, federal, or local laws, statutes, regulations, common laws or claims at equity, relating to conduct or events occurring prior to the date of this Release.
- 2. General Release Exclusions.** This Release shall not extend to or include the following: (a) any rights or obligations under applicable law which cannot be waived or released pursuant to an agreement, such as the right to file a charge with or participate in an investigation by a government agency such as the Equal Employment Opportunity Commission (although you waive any right to monetary recovery should any agency pursue any claims on your behalf, except that you may receive money properly awarded by the U.S. Securities and Exchange Commission as a securities whistleblower incentive); (b) any rights or claims that arise after the date of this Release; (c) any rights I may have under US Foods Holding Corp.'s, the Company's, or any applicable affiliate's Director's and Officer's insurance policy or under US Foods Holding Corp.'s, the Company's, or any applicable affiliate's charter or by-laws; (d) any rights I may have under any equity plan maintained by the Company or its affiliates; (e) the right to enforce the Agreement; or (f) any rights I may have under any benefit plans maintained by the Company or its affiliates. I represent and warrant that, as of the Effective Date, I have not assigned or transferred any claims of any nature that I would otherwise have against the Company, its successors or assigns. I further agree to waive my rights under any other statute or regulation, state or federal, which provides that a general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known to him must have materially affected his settlement with the debtor.

3. Intent of Release; Covenant Not to Sue. I intend this Release to be binding on my successors, and I specifically agree not to file or continue any claim in respect of matters covered by this Release. I further

agree never to institute any suit, complaint, proceeding, grievance or action of any kind at law, in equity, or otherwise in any court of the United States or in any state, or in any administrative agency of the United States or any state, county or municipality, or before any other tribunal, public or private, against the Company arising from or relating to my employment with or my termination of employment from the Company and/or any other occurrences to the date of this Release, other than a claim challenging the validity of this Release under the ADEA.

4. Whistleblowing. You agree that (i) no one interfered with your ability to report within the Company possible violations of any law, and (ii) it was the Company's policy throughout your employment to encourage such reporting.

5. Acknowledgments. I further acknowledge and agree that:

(A) My waiver of rights under this Release is knowing and voluntary and in compliance with the Older Workers Benefit Protection Act of 1990 ("OWBPA");

(B) I understand the terms of this Release;

(C) The consideration offered by the Company under the Agreement in exchange for the signing of this Release represents consideration over and above that to which I would otherwise be entitled, and that the consideration would not have been provided had I not agreed to sign this Release and do not sign this Release;

(D) The Company is hereby advising me in writing to consult with an attorney prior to executing this Release;

(E) The Company is giving me a period of twenty-one (21) days within which to consider this Release;

(F) Following my execution of this Release, I have seven (7) days in which to revoke this Release by written notice. An attempted revocation not actually received by the Company prior to the revocation deadline will not be effective;

(G) This entire Release shall be void and of no force and effect if I choose to so revoke, and if I choose not to so revoke this Release shall then become effective and enforceable.

This Section does not waive rights or claims that may arise under the ADEA after the date I sign this Release. To the extent barred by the OWBPA, the covenant not to sue contained in Section 3 does not apply to claims under the ADEA that challenge the validity of this Release.

To revoke this Release, I must send a written statement of revocation to:

US Foods, Inc.

9399 W. Higgins Road, Suite 100

Rosemont, Illinois 60018

Attn: General Counsel

The revocation must be received no later than 5:00 p.m. on the seventh day following my execution of this Release. If I do not revoke, the eighth day following my acceptance will be the "Effective Date" of this Release.

I acknowledge that I remain bound by, and reaffirm my intention to comply with, continuing obligations under any agreements between myself and the Company, as presently in effect, including, but not limited to, my post-employment obligations set forth in the Agreement.

BY SIGNING THIS RELEASE, I ACKNOWLEDGE THAT: I HAVE READ THIS RELEASE AND UNDERSTAND ITS TERMS; I HAVE HAD THE OPPORTUNITY TO REVIEW THIS RELEASE WITH LEGAL OR OTHER PERSONAL ADVISORS OF MY OWN CHOICE; I UNDERSTAND THAT BY SIGNING THIS RELEASE I AM RELEASING THE RELEASED PARTIES OF ALL CLAIMS AGAINST THEM; I HAVE BEEN GIVEN TWENTY-ONE DAYS TO CONSIDER THE TERMS AND EFFECT OF THIS RELEASE AND I VOLUNTARILY AGREE TO ITS TERMS.

SIGNED this _____ day of _____, 20____.

[SAMPLE—to be executed at the time of termination]

Exhibit 31.1

**CERTIFICATION PURSUANT TO RULE 13a-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, David E. Flitman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of US Foods Holding Corp.;
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.

Date: November 9, 2023 May 9, 2024

Is/ DAVID E. FLITMAN

David E. Flitman

Chief Executive Officer

Exhibit 31.2

**CERTIFICATION PURSUANT TO RULE 13a-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Dirk J. Locascio, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of US Foods Holding Corp.;
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.

Date: November 9, 2023 May 9, 2024

/s/ **DIRK J. LOCASCIO**

Dirk J. Locascio

Chief Financial Officer

Exhibit 32.1

**CERTIFICATE PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of US Foods Holding Corp. (the "Company") on Form 10-Q for the quarterly period ended September 30, 2023 March 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David E. Flitman, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 9, 2023 May 9, 2024

/s/ DAVID E. FLITMAN

David E. Flitman

Chief Executive Officer

Exhibit 32.2

**CERTIFICATE PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of US Foods Holding Corp. (the "Company") on Form 10-Q for the quarterly period ended **September 30, 2023** **March 30, 2024**, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Dirk J. Locascio, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: **November 9, 2023** **May 9, 2024**

/s/ DIRK J. LOCASCIO

Dirk J. Locascio

Chief Financial Officer

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