



FOOD DISTRIBUTION SECTOR UPDATE

Q3 2025 Earnings Review

November 2025



Solomon's Comprehensive Approach to Food Distribution



Joshua Heft
Director

Food Distribution
joshua.heft@solomonpartners.com



Scott Moses
Partner

Head of Grocery, Pharmacy & Restaurants
scott.moses@solomonpartners.com
























Jason Kliewer
Partner

Co-Head Distribution
jason.kliewer@solomonpartners.com



Nick Troyer
Partner

Co-Head Distribution
nick.troyer@solomonpartners.com

 <p>C&S Wholesale Grocers</p> <p>Acquisition of</p>  <p>SpartanNash</p> <p>Served as exclusive financial advisor to C&S Wholesale Grocers</p>	 <p>Roche Bros.</p> <p>Sale to owner of</p>  <p>Bozzuto's Inc.</p> <p>Served as exclusive financial advisor to Roche Bros.</p>	 <p>fresh ENCOUNTER</p> <p>Sale to</p>  <p>SpartanNash</p> <p>Served as exclusive financial advisor to Fresh Encounter</p>	<p>TERMINATED</p>  <p>Albertsons Companies</p> <p>Sale to</p>  <p>Kroger</p> <p>Served as financial advisor to Albertsons</p>	 <p>freshdirect</p> <p>Split-off from</p>  <p>getir</p> <p>Served as lead financial advisor to FreshDirect</p>	 <p>Mr Greens</p> <p>A portfolio company of</p>  <p>SHORELINE EQUITY PARTNERS</p> <p>Sale to</p>  <p>STERLING</p> <p>Served as lead financial advisor to Mr Greens</p>	 <p>Advent International</p> <p>Acquired a significant stake in</p>  <p>ImperialDade</p> <p>A portfolio company of</p>  <p>BainCapital</p> <p>Served as exclusive financial advisor to Advent</p>	 <p>EL RANCHO</p> <p>Sale to</p>  <p>HERITAGE GROCERS GROUP</p> <p>APOLLO</p> <p>Served as exclusive financial advisor to El Rancho</p>	 <p>save a lot</p> <p>Recapitalization, refinancing and relicensing conversion sales to various parties including</p>  <p>LEOPARDS</p>  <p>ROSCO GROCERY</p>  <p>SANTITAS</p> <p>Served as financial advisor to Save a Lot</p>	 <p>Ahold</p> <p>Divestiture of</p>  <p>US</p> <p>To</p>  <p>KKR</p> <p>Served as financial advisor to Ahold</p>
---	--	--	---	--	---	--	---	--	---

Executive Summary

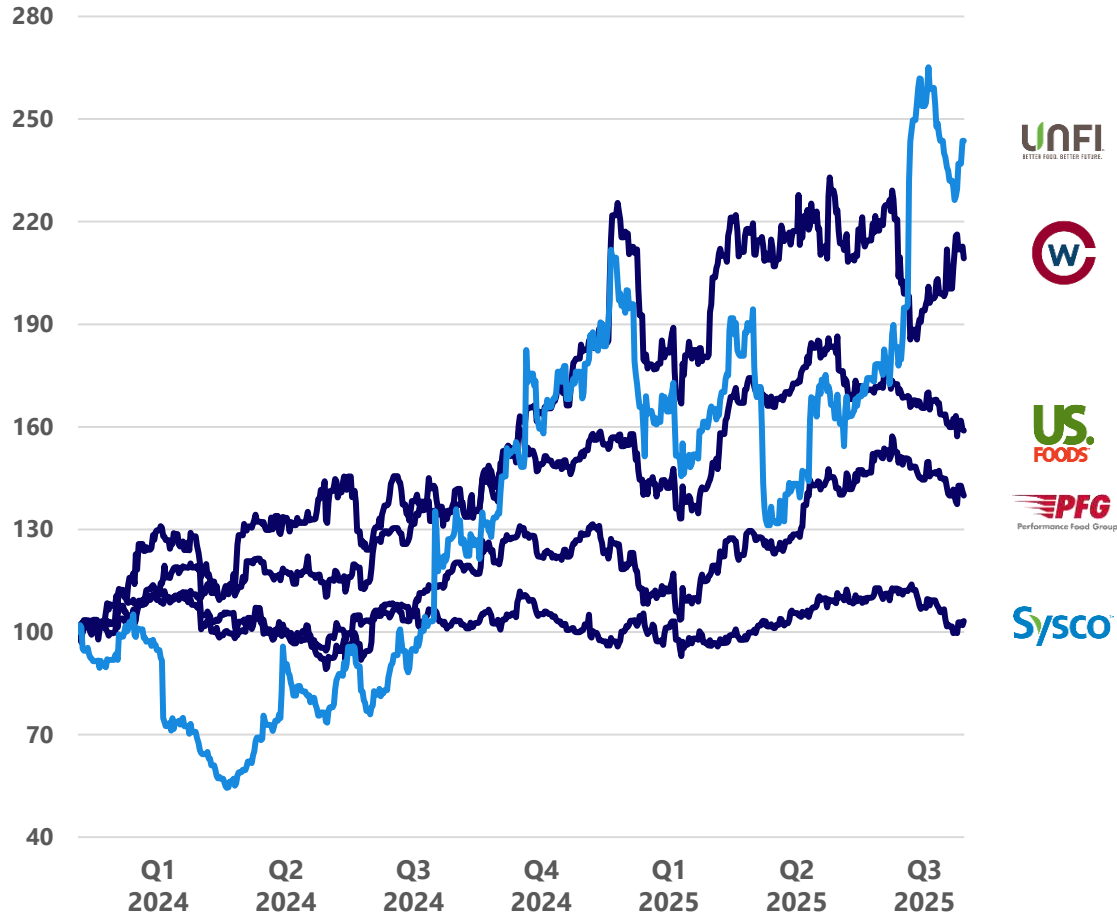
Public food distributors continue to deliver steady earnings growth in a challenging macro environment

- Sales growth among public food distributors in Q3 was driven primarily by inflation and contributions from previously completed acquisitions with case growth in the LSD
 - Case volume growth was mixed across channels with independents outperforming chain business
 - Organic independent case growth exceeded restaurant traffic growth (which remained negative) as public foodservice distributors continue to take share in an environment where purchase decisions are increasingly price-driven
- Despite a tough macro environment for topline growth, food distributors continue to deliver earnings growth through efficiency and profitability focused initiatives
 - Investments in AI-powered tools, digital platforms and route & facility optimizations continue to streamline operations and improve customer experience
- Continued investment in sales teams, technology and distribution centers in growing markets are positioning public food distributors for sustained growth, particularly if restaurant traffic trends improve into 2026
- M&A continues to be a core growth strategy with both US Foods and Chefs' Warehouse announcing tuck-in acquisitions during the quarter
 - Deal activity in the sector remains robust with ample opportunities for both continued tuck-in acquisitions and more transformational transactions expanding specialty product portfolios and capabilities

Public Food Distributor Share Price Change

Public food distributor stock price performance has varied with investors rewarding sustained margin enhancement and earnings growth

Share Price Change (Since 2024)



Share Price (YTD 2025)

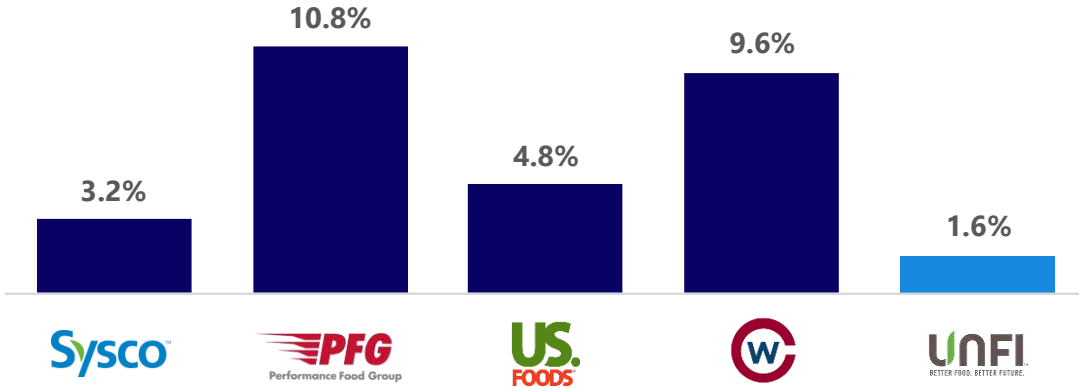


Foodservice Distributor

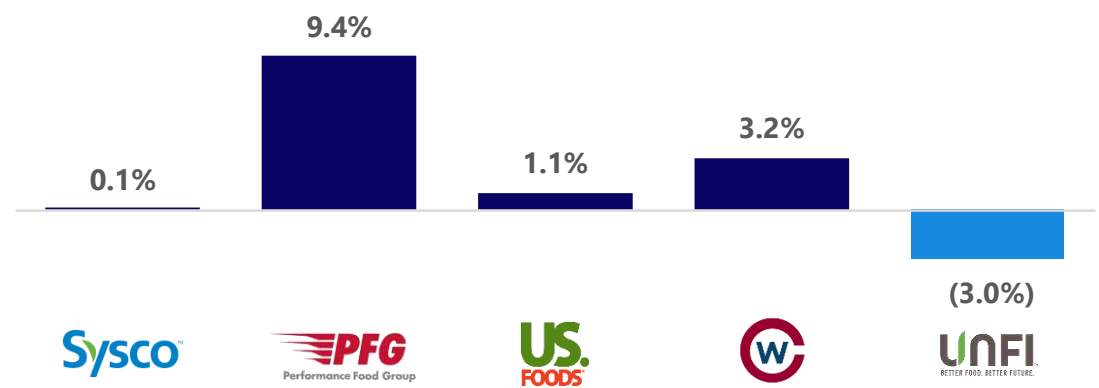
Grocery Wholesaler

Public Food Distributor CY Q3 2025 Performance Update

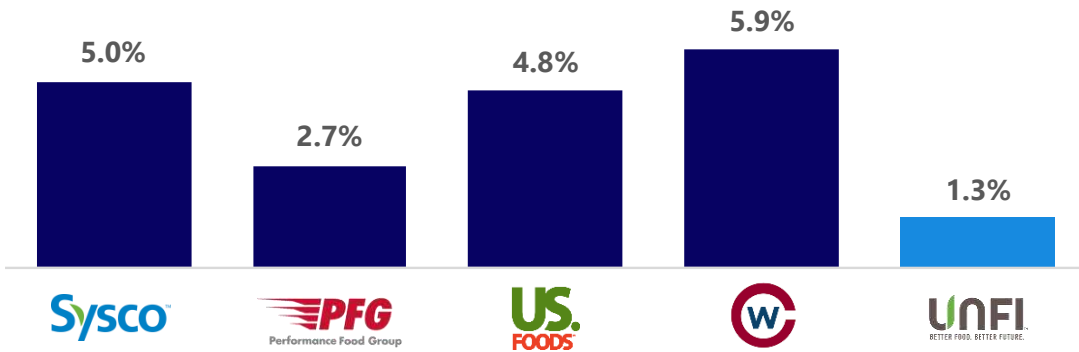
Sales Growth



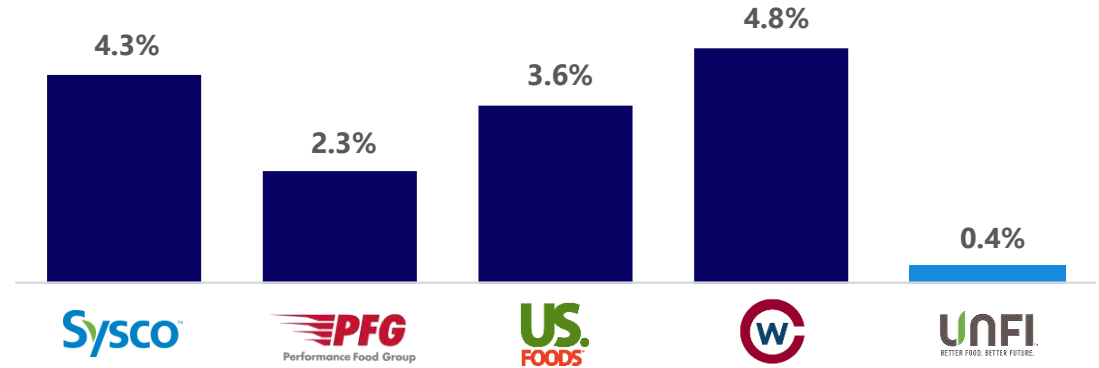
Case Volume Growth ⁽¹⁾



EBITDA Margin



EBITDA – Capex / Sales

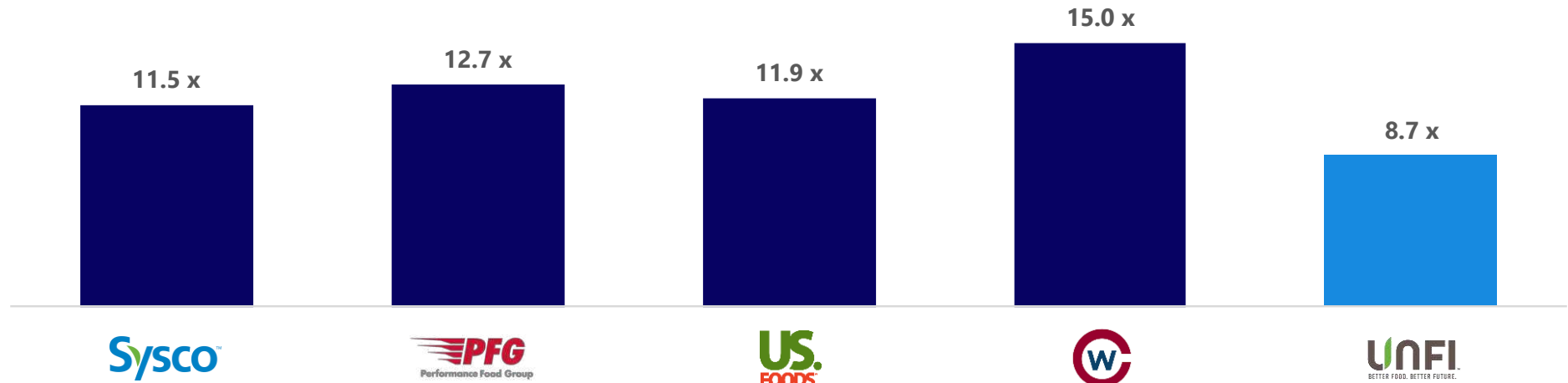


Foodservice Distributor
 Grocery Wholesaler

Public Food Distributor Valuation

Total Enterprise Value / LTM EBITDA

■ Foodservice Distributor
 ■ Grocery Wholesaler

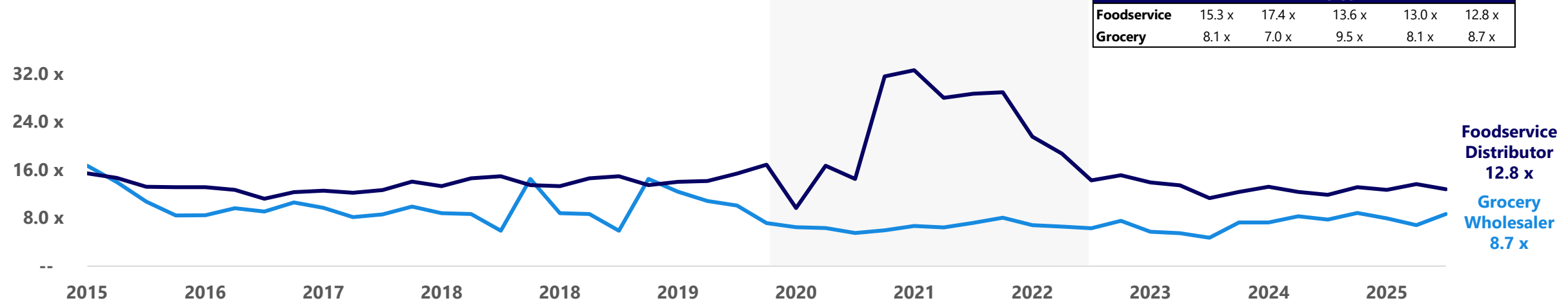


	Sysco	PFG	US Foods	W	UNFI
TEV (\$B)	\$48.9	\$22.6	\$21.5	\$3.4	\$4.4
LTM Revenue Growth	2.9%	11.6%	4.8%	8.9%	2.6%
NTM Revenue Growth	4.0%	11.3%	5.1%	6.6%	0.8%
LTM EBITDA Margin	5.2%	2.9%	4.6%	5.6%	1.6%
LTM EBITDA - Capex / Sales	4.0%	2.0%	3.6%	4.6%	0.9%
Div Yield	2.9%	—	—	—	—

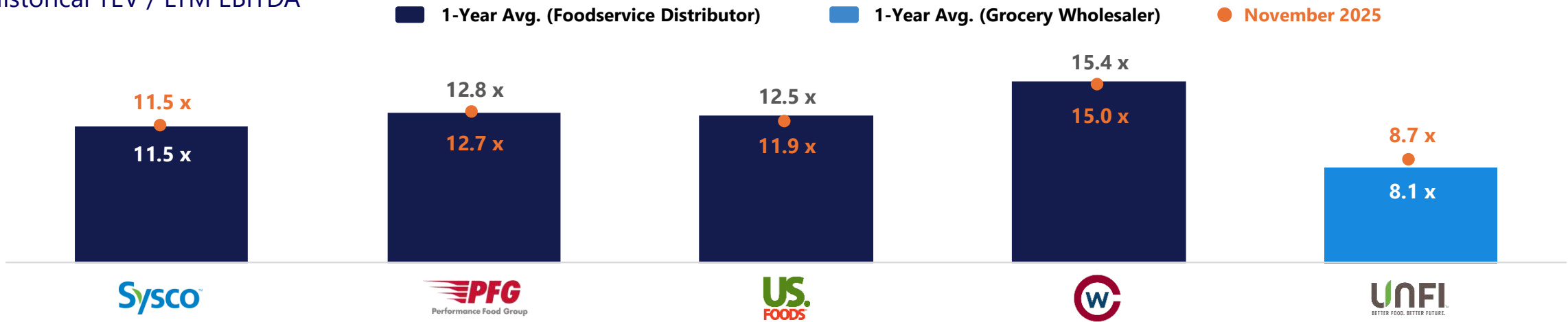
Public Food Distributor Valuation Over Time

Public food distributors are trading slightly below long-term averages

Historical TEV / LTM EBITDA



Historical TEV / LTM EBITDA



Source: Company filings, S&P Capital IQ Consensus Estimates as of November 2025.
 Note: Years represent calendar years. Earnings figures adjusted to remove the impact of non-recurring and non-operating expenses. EBITDA burdened with stock-based compensation.
 1. Reflects the average LTM TEV / LTM EBITDA multiple from Q4 2015 – Q4 2019.

Financial and Operational Highlights

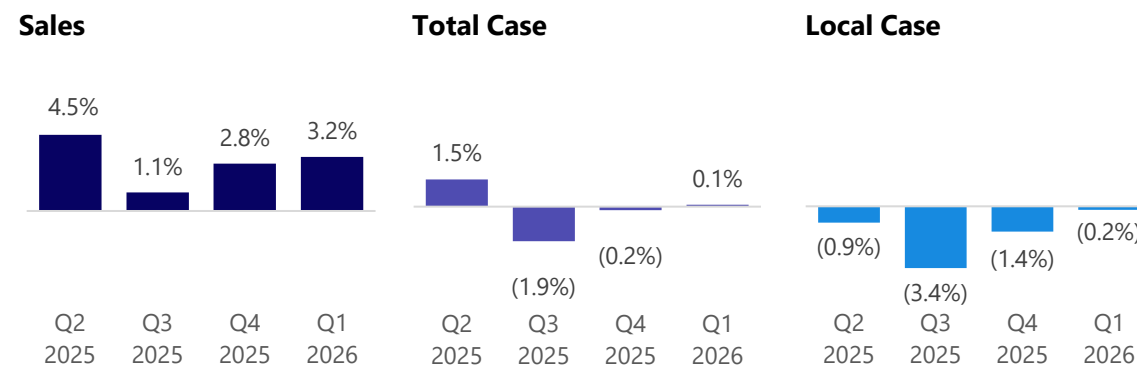
- Q1 sales increased 3% YoY to \$21.1B
 - Total U.S. Foodservice growth of 3% was driven largely by inflation with volume flat
 - Excluding the impact of an intentional business exit within FreshPoint, local case volume increased 0.3%
 - 120bps QoQ improvement in local case volume doubled industry traffic improvement and management expects a further 100bps+ improvement in Q2
 - Volume to national accounts continues to be down YoY
 - International sales grew 5% on a reported basis and 8% excluding the impact of divested business
 - International local case volume grew 5% with positive customer mix benefits driving double-digit profit growth for the eighth consecutive quarter
- Gross profit grew 4% to \$3.9B (+13bps margin expansion) driven primarily by effective management of cost inflation and strategic sourcing efficiencies
- Adjusted EBITDA increased slightly to \$1.1B
 - Volume improvements, continued gross margin expansion and expense control contributed to EBITDA performance
- Management expressed confidence in full year guidance of 3%-5% sales growth and adjusted EPS growth of 1%-3% (which includes an ~\$100M headwind from lapping lower incentive compensation in 2025)

Financial Performance

(\$ in millions)

	Three Months Ended			Estimates	
	Sep-25	Sep-24	% Change	Consensus	Surprise
U.S. Foodservice	\$14,780	\$14,362	2.9%	\$14,798	(0.1%)
International Foodservice	3,966	3,794	4.5%	3,920	1.2%
SYGMA	2,129	2,046	4.1%	2,118	0.5%
Other	273	282	(3.2%)		
Total Sales	\$21,148	\$20,484	3.2%	\$21,079	0.3%
Adj. EBITDA	\$1,064	\$1,062	0.2%	\$1,106	(3.8%)
Adj. EBITDA Margin	5.0%	5.2%	(15 bps)	5.2%	(21 bps)
Adj. Net Income / (Loss)	\$551	\$540	2.0%	\$540	2.0%
Adj. Net Income Margin	2.6%	2.6%	(3 bps)	2.6%	4 bps
Adj. Earnings Per Diluted Share	\$1.15	\$1.09	5.5%	\$1.12	2.4%

Rolling Quarterly Sales and Case Volume Growth



Performance Food Group

Q1 2026 Performance Update – September 27, 2025

Financial and Operational Highlights

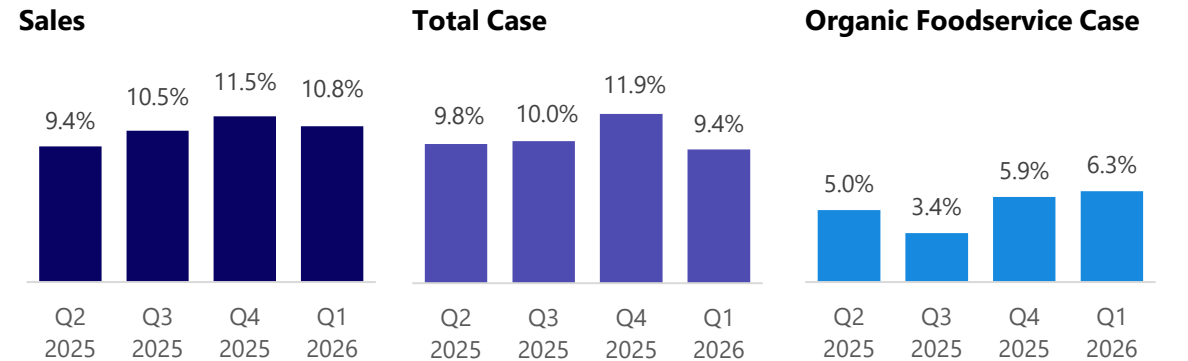
- Q1 sales increased 11% YoY to \$17.1B
 - Total case volume increased 9.4% YoY with organic case volume growth of 2.8%
 - Foodservice sales grew 19% YoY driven by contribution from Cheney Brothers (acquired Oct 2024), growth in both independent and chain business and inflation
 - Organic independent case volume grew 6.3% YoY
 - Convenience sales grew 4% YoY driven by a recent acquisition, the addition of a new chain customer and inflation
 - Specialty sales declined 1% YoY as case volume growth in vending, office coffee service, campus and retail channels were fully offset by declines in theater
- Gross profit grew 14% to \$2.0B (+37bps margin expansion) driven by favorable mix shift in cases sold (including an increase in independent volume and private brands), higher fees earned from manufacturers and procurement efficiencies
- Adjusted EBITDA increased 17% to \$467M (+14bps margin expansion)
 - EBITDA growth driven by gross profit gains offset by increased operating costs from the Cheney Brothers acquisition and general cost inflation
- Management updated its full year guidance:
 - Sales of \$67.5B - \$68.5B (compared to prior guidance of \$67.0B - \$68.0B)
 - Adj. EBITDA of \$1.9B - \$2.0B (consistent with prior guidance)

Financial Performance

(\$ in millions)

	Three Months Ended			Estimates	
	Sep-25	Sep-24	% Change	Consensus	Surprise
Foodservice	\$9,146	\$7,702	18.8%		
Convenience	6,587	6,364	3.5%		
Specialty	1,276	1,286	(0.7%)		
Other	67	65	3.3%		
Total Sales	\$17,076	\$15,416	10.8%	\$16,876	1.2%
Adj. EBITDA	\$467	\$401	16.6%	\$478	(2.3%)
Adj. EBITDA Margin	2.7%	2.6%	14 bps	2.8%	(10 bps)
Adj. Net Income / (Loss)	\$185	\$181	2.2%	\$191	(3.0%)
Adj. Net Income Margin	1.1%	1.2%	(9 bps)	1.1%	(5 bps)
Adj. Earnings Per Diluted Share	\$1.18	\$1.16	1.7%	\$1.22	(3.3%)

Rolling Quarterly Sales and Case Volume Growth



Financial and Operational Highlights

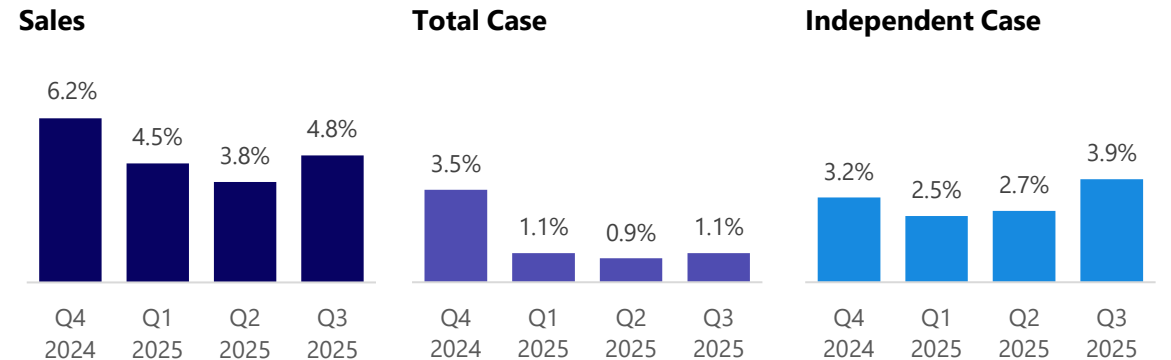
- Q3 sales increased 5% YoY to \$10.2B
 - Total case volume increased 1.1% driven by a 3.9% increase in independent restaurant, 3.9% increase in healthcare and a 2.4% increase in hospitality, partially offset by a 2.4% decline in chain
 - Independent restaurant case growth accelerated 120bps QoQ
 - Organic case volume increased 0.8% including a 3.5% increase in organic independent restaurant volume
- Gross profit grew 5% to \$1.8B (+7bps margin expansion) as a result of increased case volume, improved cost of goods sold (including increased private label penetration) and inventory management, partially offset by an unfavorable YoY LIFO adjustment
- Adjusted EBITDA increased 11% YoY to \$486M (+26bps margin expansion)
 - EBITDA growth driven by gross profit gains with distribution productivity improvement and streamlined administrative processes offsetting higher operating costs associated with increased volumes and general cost inflation
- Management announced the tuck-in acquisition of Shetakis, an independent food distributor in Las Vegas with strong market share in Casinos and independent restaurants
- Management updated its full year guidance:
 - Sales growth of 4% - 5% (compared to prior guidance of 4% - 6%)
 - Adj. EBITDA growth of 10% - 12% (compared to prior guidance of 9.5% - 12%)
 - Adj. Diluted EPS growth of 24% - 26% (compared to prior guidance of 19.5% - 23%)

Financial Performance

(\$ in millions)

	Three Months Ended			Estimates	
	Sep-25	Sep-24	% Change	Consensus	Surprise
Total Sales	\$10,191	\$9,728	4.8%	\$10,168	0.2%
Adj. EBITDA	\$486	\$439	10.7%	\$484	0.4%
Adj. EBITDA Margin	4.8%	4.5%	26 bps	4.8%	1 bps
Adj. Net Income / (Loss)	\$245	\$208	17.8%	\$238	2.8%
Adj. Net Income Margin	2.4%	2.1%	27 bps	2.3%	6 bps
Adj. Earnings Per Diluted Share	\$1.07	\$0.85	25.9%	\$1.03	3.9%

Rolling Quarterly Sales and Case Volume Growth



The Chefs' Warehouse



Q3 2025 Performance Update – September 26, 2025

Financial and Operational Highlights

- Q3 sales increased 10% YoY to \$1.0B
 - Organic specialty case volume increased 3.2% YoY (5.4% excluding the impact of the elimination of non-core programs)
 - Center-of-plate pounds declined 1.1% YoY, but grew 9.6% excluding the impact of the elimination of non-core commodity poultry program
 - Unique customers increased 2.6% and placements increased 5.3%
- Gross profit grew 10% to \$247M (+7bps margin expansion) driven by mix benefits as higher margin specialty outperformed lower margin center-of-plate
 - Gross margin increased 59bps in the specialty category and declined 49bps in the center-of-plate category
- Adjusted EBITDA increased 20% YoY to \$60M (+52bps margin expansion)
 - Margin expansion driven by continued benefits from strategic facility consolidations, regional route consolidations and transfer reductions driving increased gross profit per route, offset by general cost inflation
- Management announced the tuck-in acquisition of Italco Food Products, a specialty food and ingredient distributor in Denver
- Management updated and raised its full year guidance:
 - Sales of \$4.085B - \$4.115B (compared to prior guidance of \$4.0B - \$4.06B)
 - Adj. EBITDA of \$247M - \$253M (compared to prior guidance of \$240M - \$250M)

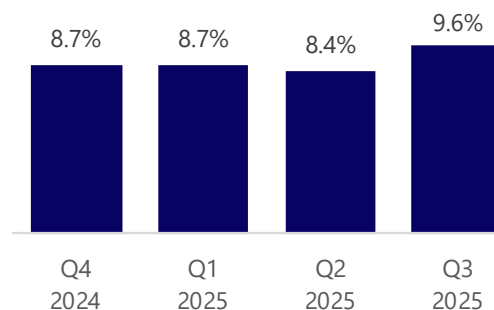
Financial Performance

(\$ in millions)

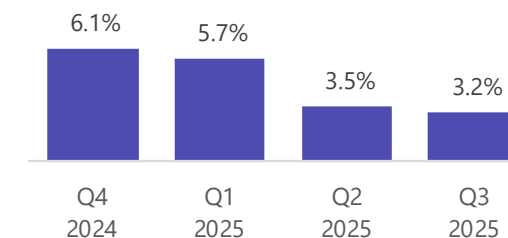
	Three Months Ended			Estimates	
	Sep-25	Sep-24	% Change	Consensus	Surprise
Sales	\$1,021	\$931	9.6%	\$986	3.6%
Adj. EBITDA	\$60	\$50	20.2%	\$60	0.9%
Adj. EBITDA Margin	5.9%	5.4%	52 bps	6.0%	(16 bps)
Adj. Net Income / (Loss)	\$21	\$15	39.5%	\$19	14.5%
Adj. Net Income Margin	2.1%	1.7%	45 bps	1.9%	20 bps
Adj. Earnings Per Diluted Share	\$0.50	\$0.36	38.9%	\$0.42	19.0%

Rolling Quarterly Sales and Case Volume Growth

Sales



Organic Case



United Natural Foods

Q4 2025 Performance Update – August 2, 2025



Financial and Operational Highlights

- Q4 sales increased 2% YoY on a comparable 13 week basis to \$7.7B
 - Inflation of 2% and positive product mix development offset a 3% decline in wholesale volume (including a 5% negative sales impact from the cyber incident in June)
 - Natural and organic sales grew 9% outpacing the market as strong secular tailwinds continued with increasing customer adoption of these products
 - Conventional sales declined 6% partially driven by the beginning of the accretive transition out of the Allentown facility
 - Retail sales fell 2%
- Gross margin declined 30bps YoY to 13.4%
 - Excluding the impact of LIFO adjustments and the cyber incident which drove elevated shrink, gross margin was 13.5%, flat YoY and the highest Gross Margin of the FY
- Adjusted EBITDA declined 23% YoY to \$101M (31bps margin contraction)
 - Management estimates the cyber incident had a negative \$50M impact on EBITDA
 - Increased sales and continued traction of Management's Lean initiatives partially offset the negative impact from the cyber incident
- Management announced 2026 guidance and raised and accelerated expected achievement of its 3-year Financial objectives
 - 2026 Sales of \$31.6B - \$32.0B (flat at midpoint to 2025 reflecting impact of continued optimization)
 - Adj. EBITDA of \$630M - \$700M (increased of 20% YoY at midpoint of range)

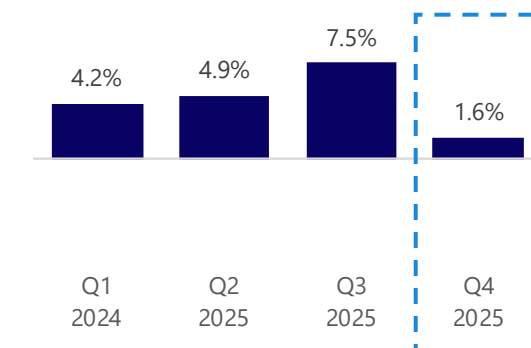
Financial Performance

(\$ in millions)

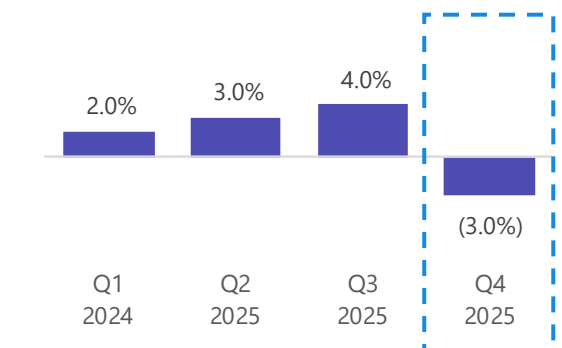
	Three Months Ended			Estimates	
	Aug-25	Aug-24 ⁽¹⁾	% Change	Consensus	Surprise
Natural	\$3,998	\$3,661	9.2%		
Conventional	3,414	3,637	(6.1%)		
Retail	573	583	(1.7%)		
Other	(289)	(309)	(6.5%)		
Total Sales	\$7,696	\$7,573	1.6%	\$7,638	0.8%
Adj. EBITDA	\$101	\$132	(23.5%)	\$101	(0.1%)
Adj. EBITDA Margin	1.3%	1.6%	(31 bps)	1.3%	(1 bps)
Adj. Net Income / (Loss)	(\$6)	\$1	NM	(\$13)	52.4%
Adj. Net Income Margin	(0.1)%	0.0%	(9 bps)	(0.2)%	9 bps
Adj. Earnings Per Diluted Share	(\$0.11)	\$0.01	NM	(\$0.18)	38.9%

Rolling Quarterly Sales and Case Volume Growth

Sales



Wholesale Case



Source: Company filings, S&P Capital IQ Consensus Estimates as of November 2025.
 Note: Earnings figures adjusted to remove the impact of non-recurring and non-operating expenses. EBITDA burdened with stock-based compensation.
 1. Sales figures adjusted to remove impact of 14th week in Q4 2024.

APPENDIX

North American Food Distributor Trading Analysis

Trading - Food Distribution

(\$ In Millions, Except Per Share Data)

Company	LTM Sales	Share Price	% of 52-Week High	Equity Value	Total Ent. Value	TEV / LTM Sales	TEV / EBITDA			P / E			LTG Rate	P / E / G 2026E ⁽¹⁾	Div. Yield	
							LTM	2025E ⁽¹⁾	2026E ⁽¹⁾	LTM	2025E ⁽¹⁾	2026E ⁽¹⁾				
							Sysco	\$82,034	\$75.49	90.7%	\$36,385	\$48,938				0.60x
Performance Food Group	64,959	96.74	89.0%	15,337	22,603	0.35x	12.7x	12.4x	11.1x	21.4x	21.0x	17.6x	9.5%	1.9x	--	
US Foods	39,115	72.14	85.2%	16,406	21,467	0.55x	11.9x	11.6x	10.4x	20.3x	18.3x	15.5x	15.6%	1.0x	--	
Chefs' Warehouse	4,041	61.58	89.8%	3,031	3,412	0.84x	15.0x	14.7x	13.2x	34.0x	33.2x	29.0x	NM	NM	--	
Foodservice Distributors						Mean	0.58x	12.8x	12.5x	11.4x	23.1x	22.3x	19.5x	10.6%	1.7x	0.7%
United Natural Foods	\$31,784	\$39.55	91.9%	\$2,545	\$4,414	0.14x	8.7x	8.0x	6.8x	55.7x	32.9x	17.4x	138.9%	0.1x	--	
Grocery Wholesale / Hybrids						Mean	0.14x	8.7x	8.0x	6.8x	55.7x	32.9x	17.4x	138.9%	0.1x	--

Source: Company filings, S&P Capital IQ Consensus Estimates as of November 2025.

Note: Earnings figures adjusted to remove the impact of non-recurring and non-operating expenses. EBITDA burdened with stock-based compensation.

1. Calendarized to December year end for comparative purposes.

North American Food Distributor Operating Analysis

Operating - Food Distribution

(\$ In Millions, Except Per Share Data)

Company	LTM Sales	Growth		LTM EBITDA	LTM FCF ⁽²⁾	Operating Efficiency				Credit Statistics		
		LTM Sales	LTM Case ⁽¹⁾			LTM Gross Margin	LTM EBITDA Margin	LTM CapEx / Sales	LTM FCF / Sales	Credit Rating	Debt ⁽³⁾ / LTM EBITDA	FCF / Interest
Sysco	\$82,034	2.9%	(0.1%)	\$4,266	\$3,322	18.4%	5.2%	1.2%	4.0%	BBB	3.1x	5.1x
Performance Food Group	64,959	11.6%	10.2%	1,786	1,287	11.8%	2.9%	0.8%	2.0%	BB	4.1x	3.3x
US Foods	39,115	4.8%	1.6%	1,802	1,421	17.4%	4.6%	1.0%	3.6%	Ba3 / BB	2.8x	4.6x
Chefs' Warehouse	4,041	8.9%	4.6%	227	185	24.2%	5.6%	1.0%	4.6%	B+	2.0x	5.2x
Foodservice Distributors					Mean	18.0%	4.6%	1.0%	3.6%	-	3.0x	4.6x
United Natural Foods	\$31,784	2.6%	1.6%	\$509	\$278	13.3%	1.6%	0.7%	0.9%	B	3.8x	1.9x
Grocery Wholesale / Hybrids					Mean	13.3%	1.6%	0.7%	0.9%		3.8x	1.9x

Source: Company filings, S&P Capital IQ Consensus Estimates as of November 2025.

Note: Earnings figures adjusted to remove the impact of non-recurring and non-operating expenses. EBITDA burdened with stock-based compensation.

1. Sales-weighted average of last 4 quarters. Reflects Sysco, PFG and US Foods total case, Chefs' Warehouse organic case and UNFI wholesale case volume growths.

2. FCF calculated as Adj. EBITDA – Capex.

3. Total debt includes finance lease liabilities.

Disclaimer

The information contained in this document is based solely on publicly available information. Solomon Partners Securities, LLC ("Solomon") has relied, without independent investigation or verification, on the accuracy, completeness and fair presentation of all such information. None of Solomon, its affiliates or its or their respective employees, directors, officers, contractors, advisors, members, successors, representatives or agents makes any representation or warranty in respect of the accuracy, completeness or fair presentation of any information or any conclusion contained herein. The information contained in this presentation should not be assumed to have been updated at any time subsequent to date shown on the first page of the presentation and the delivery of the presentation does not constitute a representation by any person that such information will be updated at any time after the date of the presentation. Solomon, its affiliates and its and their respective employees, directors, officers, contractors, advisors, members, successors and agents shall have no liability with respect to any information or matter contained herein.

This presentation has been prepared solely for informational and illustrative purposes and is not to be used or considered as an offer to sell, or a solicitation of an offer to buy, any security or instrument or the provisions of an offer to provide investment services or to undertake any transaction.

Nothing in this presentation constitutes regulatory, investment, legal, accounting or tax advice, or a representation that any investment or strategy is suitable or appropriate to your individual circumstances. Each individual or entity receiving this document or participating in a related transaction shall be responsible for obtaining all such advice as it thinks appropriate on such matters and shall be responsible for making its own independent investigation and appraisal of the risks, benefits and suitability of the transactions as to itself. Any discussions of past performance should not be taken as an indication of future results, and no representation, expressed or implied, is made regarding future events or results. This presentation is a marketing presentation. It does not constitute independent investment research and has not been prepared in accordance with the legal requirements designed to promote the independence of investment research. Moreover, this presentation has not been prepared by the research department of Natixis, of which Solomon is an affiliate. Natixis may trade as principal or have proprietary positions in securities or other financial instruments that are referred to herein. This presentation is intended only to provide observations and views as expressed herein, which may be different from, or inconsistent with, the observations and views of Natixis analysts or other Natixis sales and/or trading personnel, or the proprietary positions of Natixis. In addition, Solomon and/or its affiliates, officers, directors and employees, including persons involved in the preparation or issuance of this presentation, may, from time to time, have long or short positions in, and may buy or sell the securities or other financial instruments referred to herein.

This presentation is confidential and may not be distributed to any other person or replicated in any form without the prior written consent of Solomon.