August 1, 2023

Sysco Q4 and FY23 Earnings Results

Forward-Looking Statements

Statements made in this press release or in our earnings call for the fourth quarter of fiscal year 2023 that look forward in time or that express management's beliefs, expectations or hopes are forward-looking statements under the Private Securities Litigation Reform Act of 1995. Such forward-looking statements reflect the views of management at the time such statements are made and are subject to a number of risks, uncertainties, estimates, and assumptions that may cause actual results to differ materially from current expectations. These statements include statements concerning: the effect, impact, potential duration or other implications of the COVID-19 pandemic and any expectations we may have with respect thereto; our expectations regarding future improvements in productivity; our belief that improvements in our organizational capabilities will deliver compelling outcomes in future periods; our expectations regarding improvements in international volume; our expectations that our transformational agenda will drive long-term growth; our expectations regarding the continuation of an inflationary environment; our expectations regarding improvements in the efficiency of our supply chain; our expectations regarding the impact of our Recipe for Growth strategy and the pace of progress in implementing the initiatives under that strategy; our expectations regarding Sysco's ability to outperform the market in future periods; our expectations that our strategic priorities will enable us to grow faster than the market; our expectations regarding our efforts to reduce overtime rates and the incremental investments in hiring; our expectations regarding the expansion of our driver academy and our belief that the academy will enable us to provide upward career path mobility for our warehouse colleagues and improve colleague retention; our expectations regarding the benefits of the six-day delivery and last mile distribution models; our plans to improve the capabilities of our sales team; our expectations regarding the impact of our growth initiatives and their ability to enable Sysco to consistently outperform the market; our expectations to exceed our growth target by the end of fiscal 2024; our ability to deliver against our strategic priorities; economic trends in the United States and abroad; our belief that there is further opportunity for profit in the future; our future growth, including growth in sales and earnings per share; the pace of implementation of our business transformation initiatives; our expectations regarding our balanced approach to capital allocation and rewarding our shareholders; our plans to improve colleague retention, training and productivity; our belief that our Recipe for Growth transformation is creating capabilities that will help us profitably grow for the long term; our expectations regarding our long-term financial outlook; our expectations of the effects labor harmony will have on sales and case volume, as well as mitigation expenses; our expectations for customer acquisition in the local/street space; our expectations regarding the effectiveness of our Global Support Center expense control measures; and our expectations regarding the growth and resilience of our food away from home market.

It is important to note that actual results could differ materially from those projected in such forward-looking statements based on numerous factors, including those outside of Sysco's control. For more information concerning factors that could cause actual results to differ from those expressed or forecasted, see our Annual Report on Form 10-K for the year ended July 2, 2022, as filed with the SEC, and our subsequent filings with the SEC. We do not undertake to update our forward-looking statements, except as required by applicable law.

Sysco®
At the heart of food and service

KEVIN HOURICAN

President & Chief Executive Officer

Food Supply Chain

Sysco®

Food Sales & Marketing

Q4: Volume Growth, Operating Expense Leverage and Solid Profitability

Sysco
At the heart of food and service

Sysco Fiscal Q4 2023 Highlights

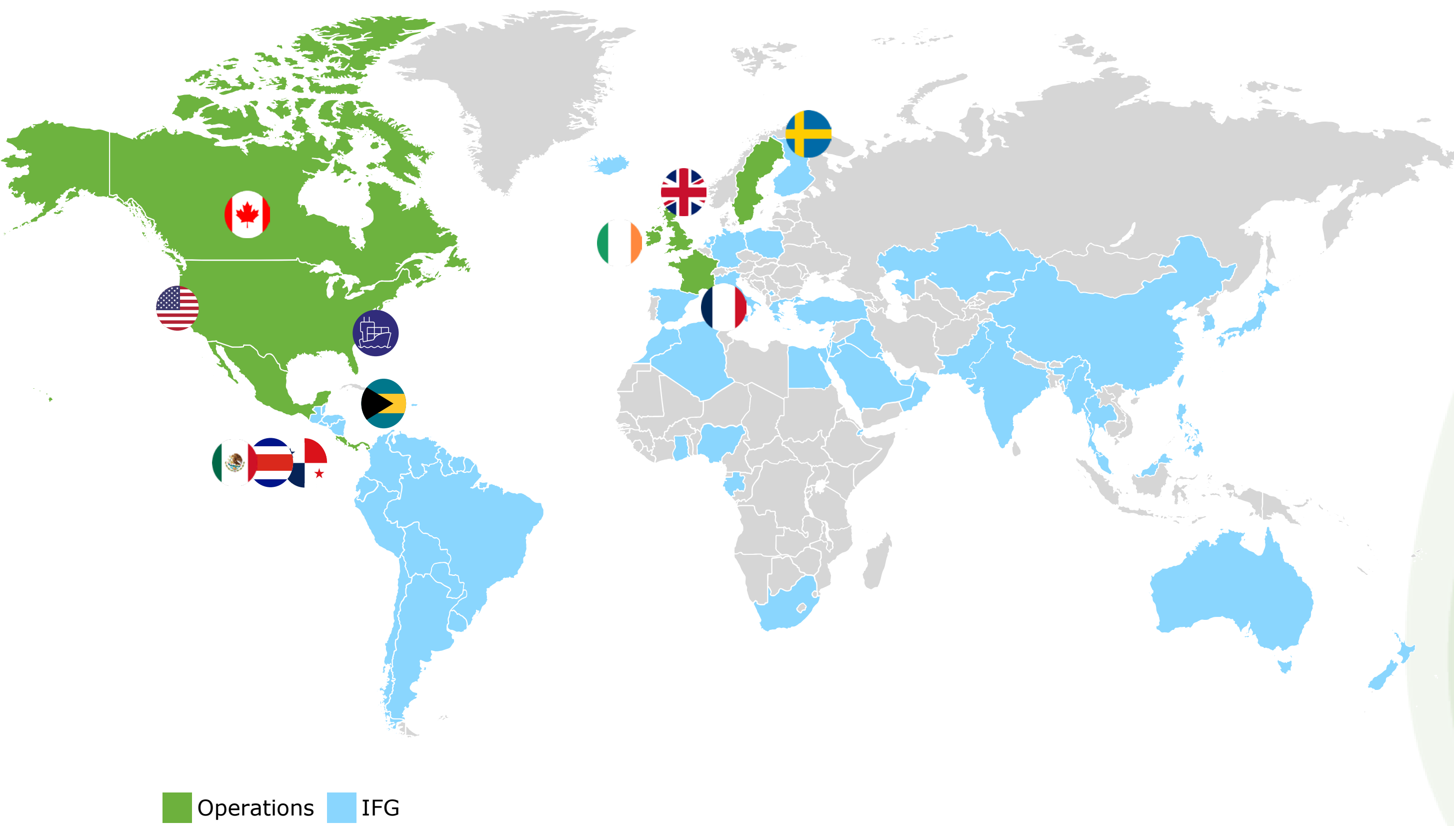
+4.1%	+16.5%	2.5x	$2.1 billion
Revenue growth compared to fiscal Q4 2022	*Adjusted EPS growth compared to fiscal Q4 2022*	*Net Debt to Adjusted EBITDA Ratio[1]*	*free cash flow +79% compared to fiscal 2022*

+2.3%	+5.7%	+57 bps	$1.2 billion	$1.34
U.S. Foodservice Volume increase vs. fiscal Q4 2022	**Adjusted gross profit[1] $ growth** and adjusted gross profit margin expansion of 28 bps vs. fiscal Q4 2022	**Adjusted operating income margin[1] expansion**; strong operating expense leverage vs. fiscal Q4 2022	**Adjusted EBITDA[1]** in the quarter was 14.4% higher than fiscal Q4 2022	**Adjusted EPS[1]** grew +16.5% vs. fiscal Q4 2022

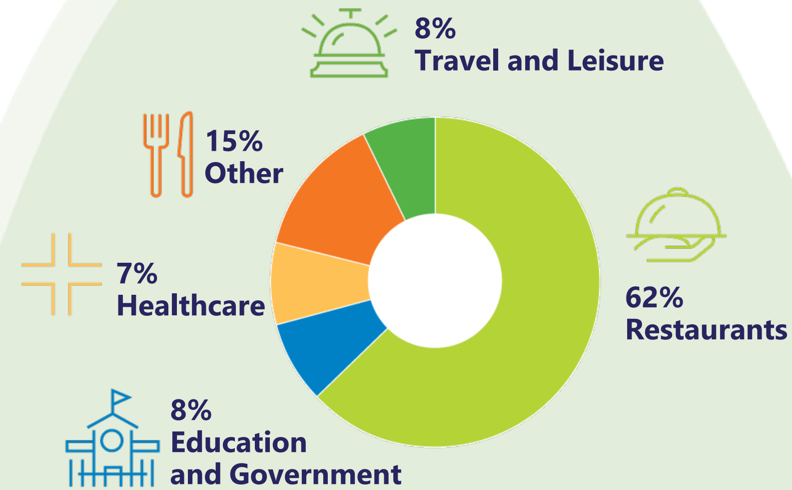
[1] See Non-GAAP reconciliations at the end of the presentation.

Sysco is the Backbone of the Food Away From Home Industry and Growing Share

Sysco
At the heart of food and service



FY2023 Total Sysco Sales



$76.3B
In Annual Sales

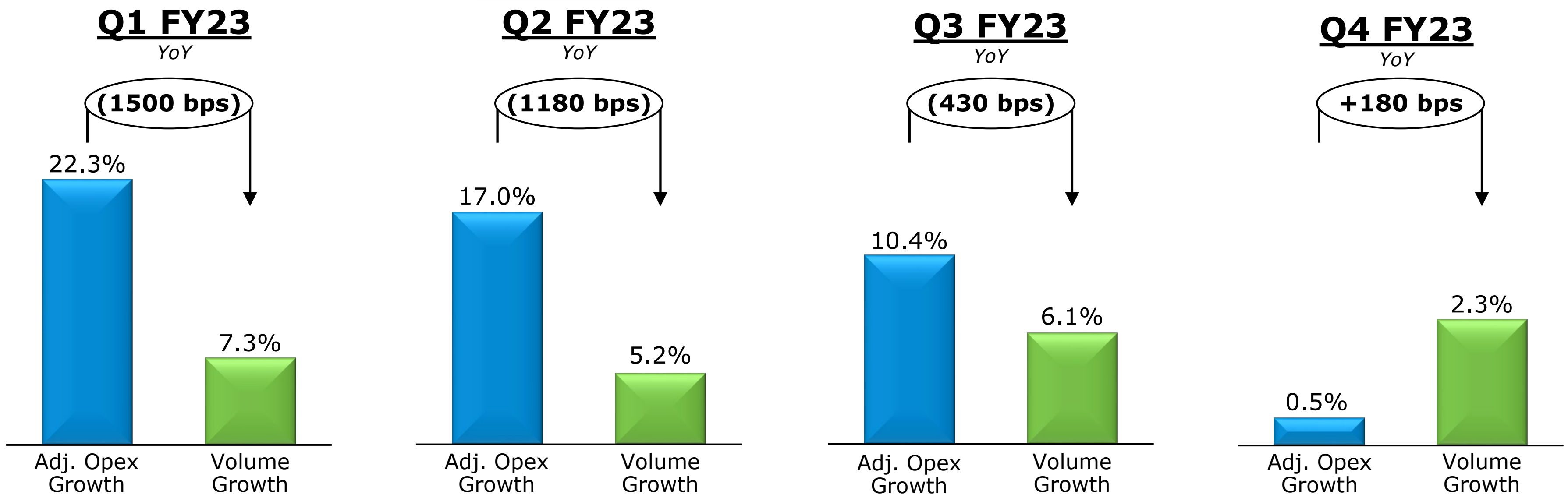
~725K
Customer Locations

~7,500
Sales Consultants

72K+
Colleagues Across the Globe

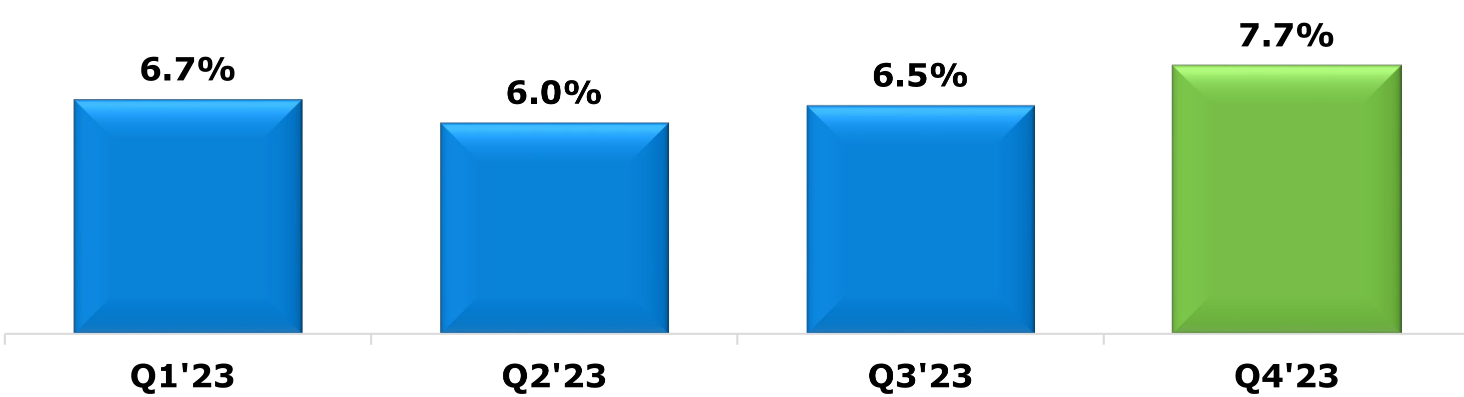
USFS: Sequential Improvement with Adjusted Operating Expense and Strong Q4 Exit Rate

Sysco At the heart of food and service



ADJUSTED OPERATING INCOME

(% of Sales)



Overview

- **Sequential improvement in operating expenses** throughout the year.
- **Strong Q4 exit rate**, with U.S. Foodservice volume growth exceeding adjusted operating expense growth
- **Proactive efforts with supply chain efficiencies and cost outs** are driving sequential improvement in operating leverage. Snap-back productivity costs and excess overtime costs reduced to zero during FY 2023.
- Our efforts are driving improved margins, **with adjusted operating margins increasing 100 bps** since the start of the year.

Our Recipe for Growth

Sysco Is a Purpose-Driven Organization, Defining the Future of Our Industry

PURPOSE | *Our Why*

Connecting the World to Share Food and Care for One Another

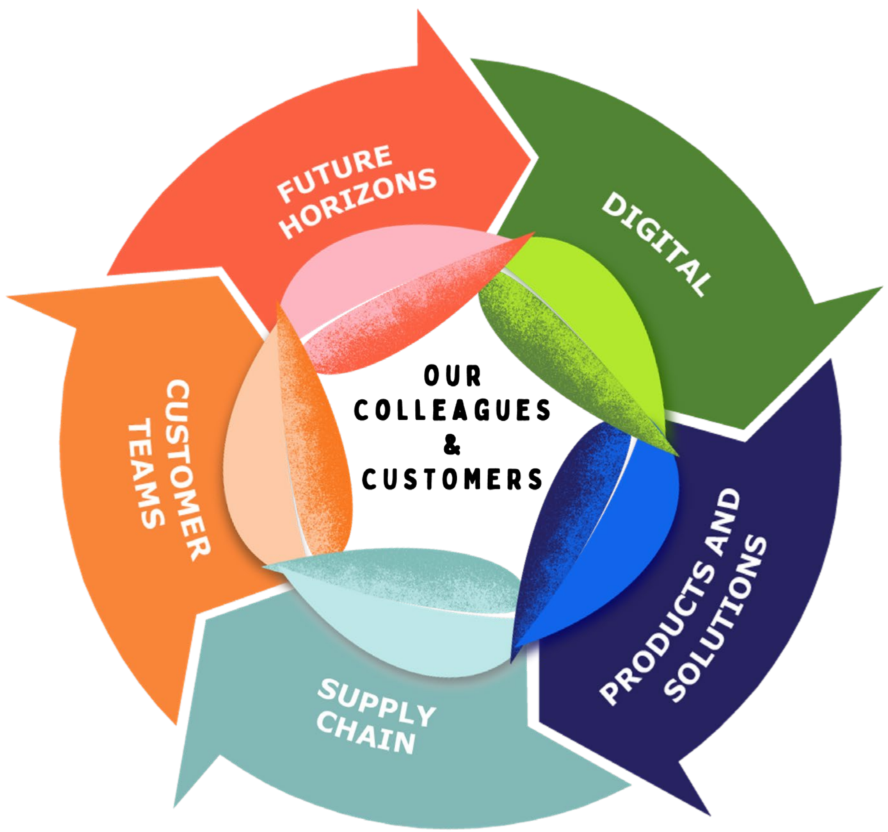
MISSION | *Our What*

Delivering success for our customers through industry-leading people, products and solutions

IDENTITY | *Our Role*

Together we define the future of foodservice and supply chain

STRATEGY | How We Win - We will grow meaningfully faster than the market through our strategic priorities



DIGITAL
Enrich the customer experience through personalized digital tools that reduce friction in the purchase experience and introduce innovation to our customers

PRODUCTS AND SOLUTIONS
Customer focused marketing and merchandising solutions that inspire increased sales of our broad assortment of fair priced products and services

SUPPLY CHAIN
Efficiently and consistently serve customers with the products they need, when and how they need them, through a flexible delivery framework

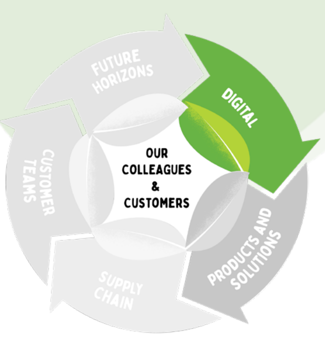
CUSTOMER TEAMS
Our greatest strength is our people. People who are passionate about food and food service. Our diverse team delivers expertise and differentiated services designed to help our customers grow their business

FUTURE HORIZON
We are committed to responsible growth. We will cultivate new channels, segments and capabilities while being stewards of our company and our planet for the long-term. We will fund our journey through cost-out and efficiency improvements

Recipe for Growth is Delivering Important Wins

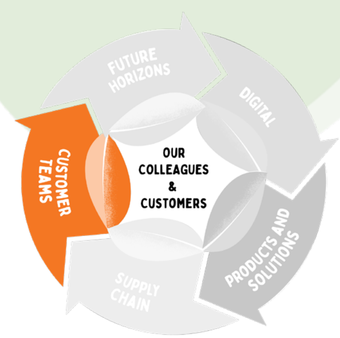
Sysco | Shop

- Now available in Spanish with over 100 new feature enhancements
- Enhancements drive increase in product page visits, adding incremental volume with add-to-cart purchasing
- Improved search capabilities, new deals page, and enhancements around Specialty



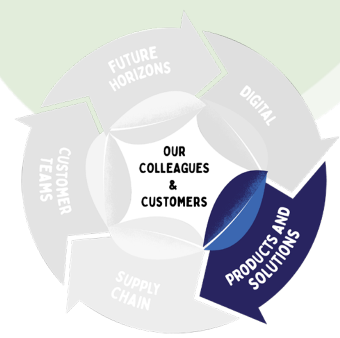
Your Way Sysco

- In >400 neighborhoods across five countries
- Program delivering double-digit top- and bottom-line growth
- Focused on independent customers in restaurant-dense neighborhoods
- Service flexibility and focused team selling

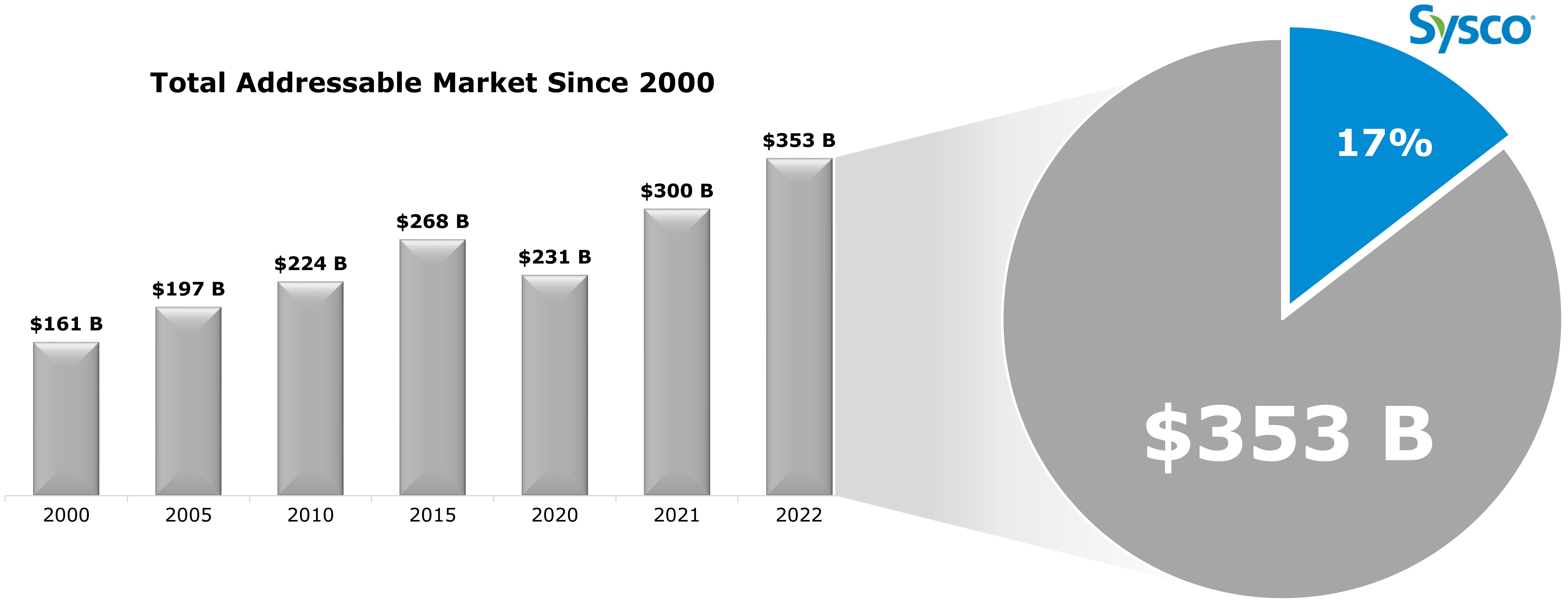


SYSCO perks!™ PREMIER REWARDS CLUB

- Over 12K+ customers who are now in our loyalty program
- Invitation-only loyalty club with white-glove service
- Includes deliveries up to 6 days a week and exclusive access to line-up of rewards and industry leading restaurant solutions

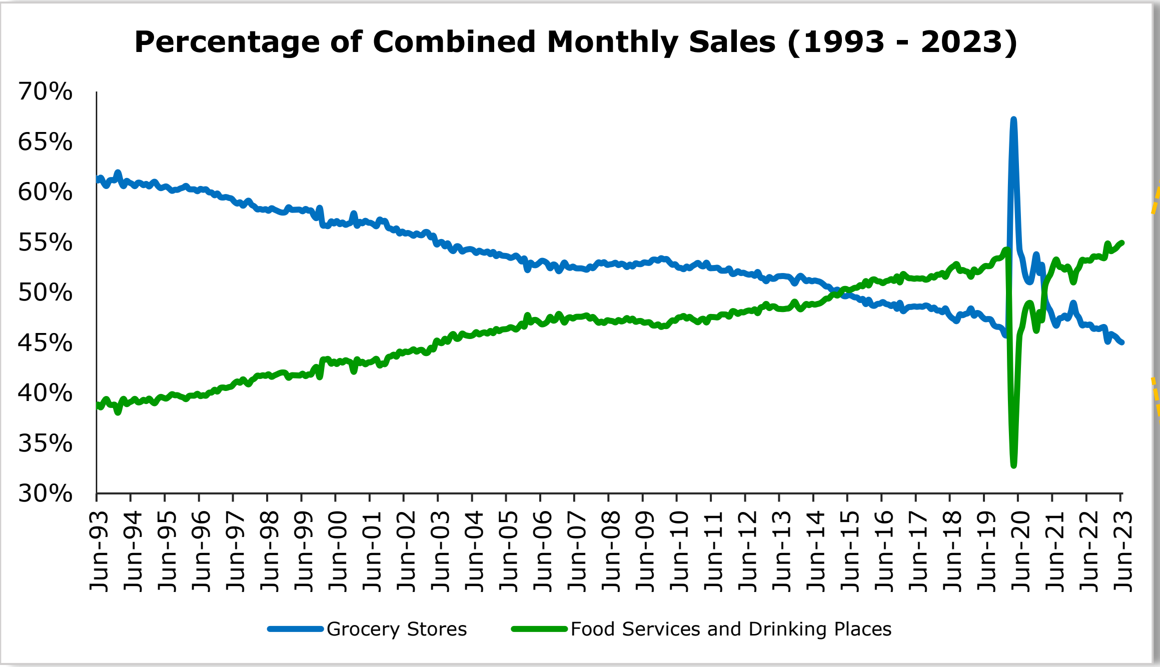


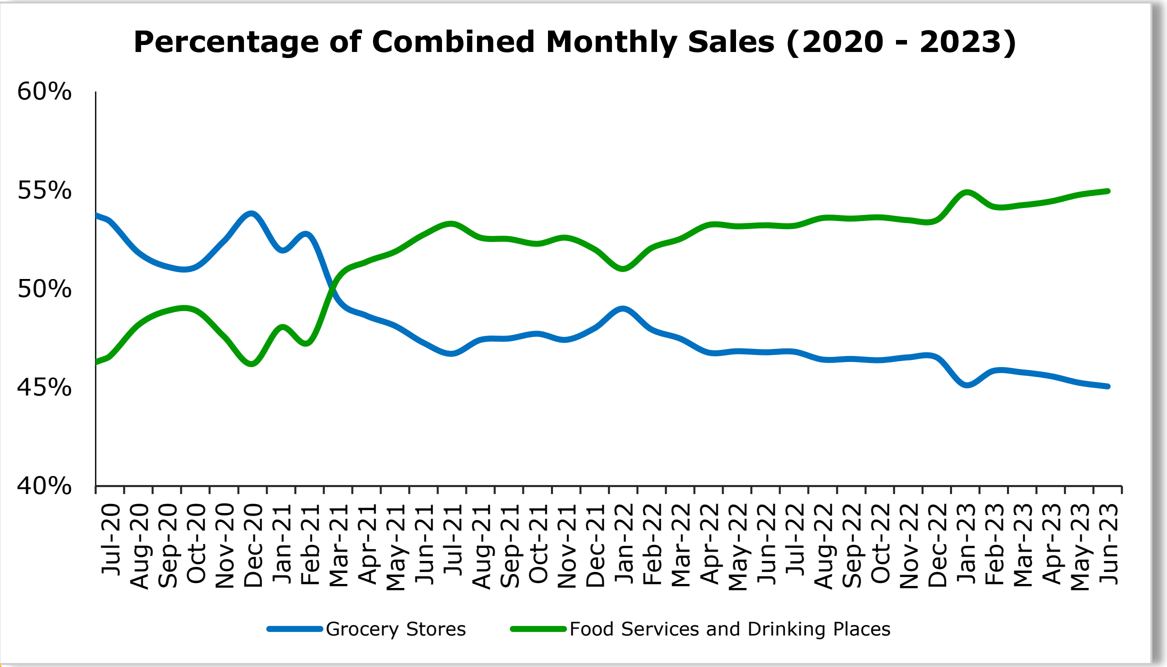
Market Leader in the Highly Fragmented and Growing Foodservice Distribution Industry



Technomic U.S. Foodservice Industry Wallchart for Calendar Year, updated May 2023

Food Away From Home Continues to Gain Share

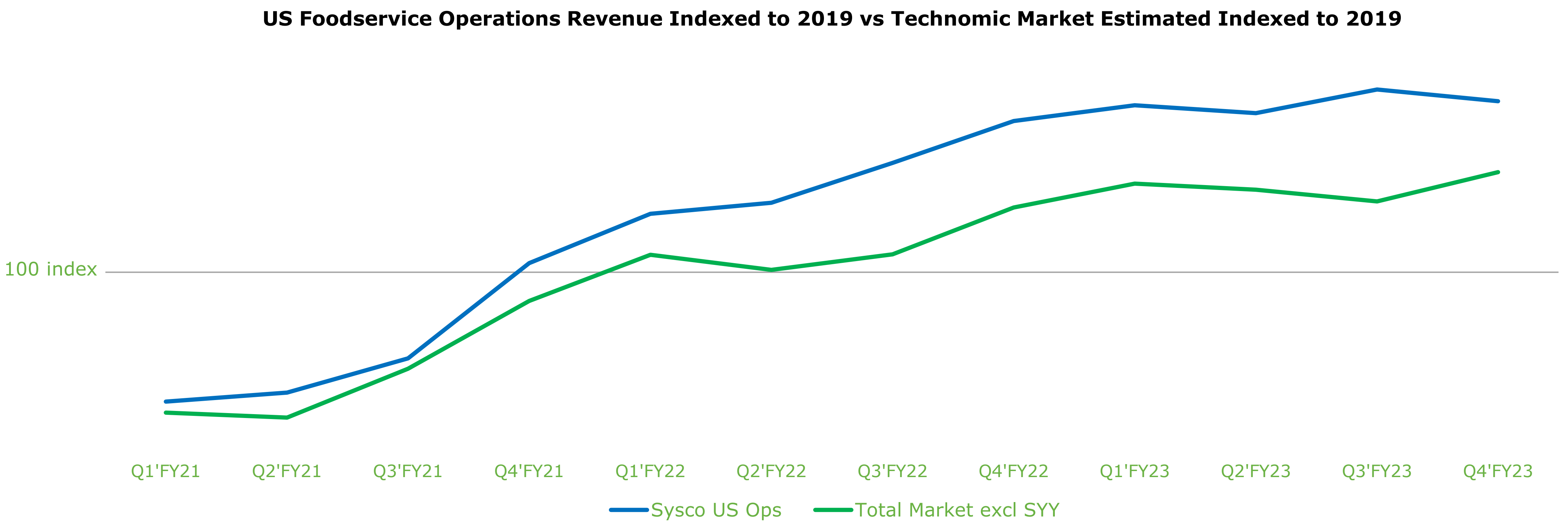




The United States Census Bureau Advance Monthly Sales for Retail and Food Services

Sysco is Winning in the Marketplace

Sysco has Outperformed the Total Foodservice Market



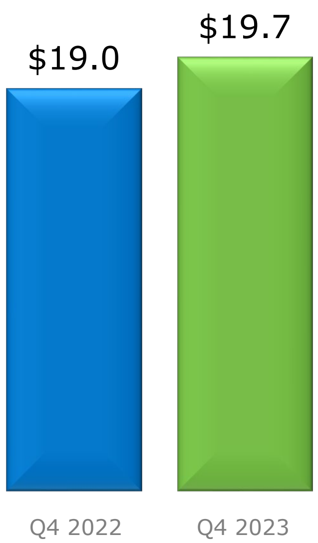
Sysco US Ops Revenue as of Q4'23 close; Technomic Custom Wall Chart Market & Inflation June 23.

Kenny Cheung

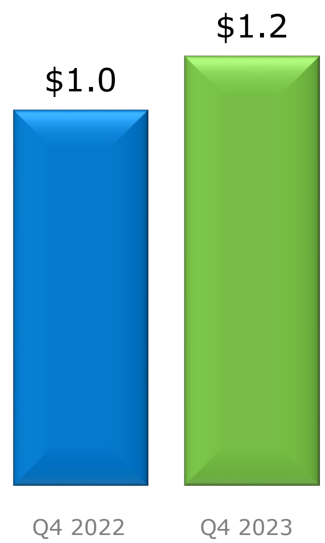
Chief Financial Officer

Q4 2023 Consolidated Financial Results

Net Sales
(billions)

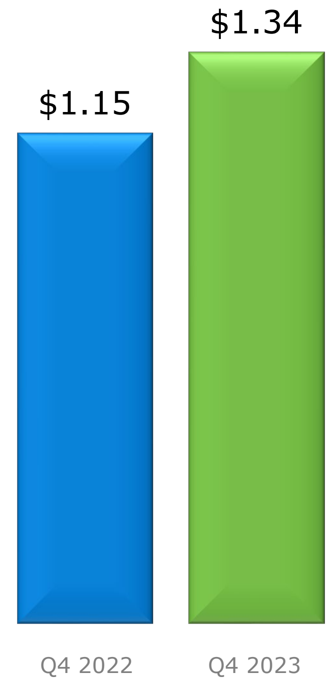


Adj. EBITDA[1]
(billions)



Q4 2023 GAAP Operating Income +26.5% to $969M

Adj. EPS[1]



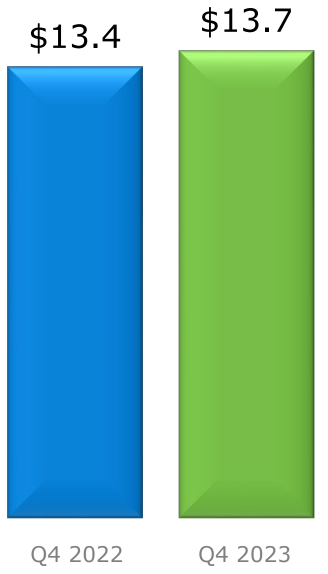
Overview

- Sales increased 4.1% to $19.7 billion versus the prior year
  - USFS +2.5%
  - International +12.2%
  - SYGMA +1.4%
- Adjusted gross profit grew 5.7% to $3.7 billion and adjusted gross margin improved 28 bps to 18.7%
- Fourth consecutive quarter of record operating income
  - Product inflation moderated to 2.1% for the total enterprise

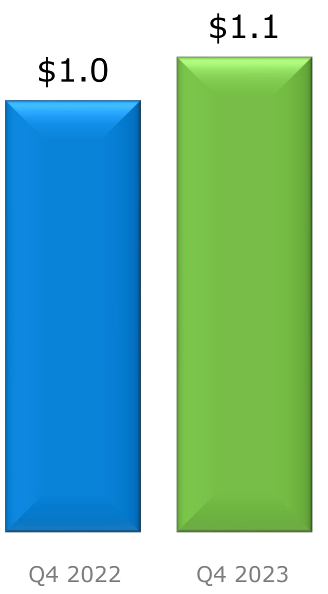
[1] See Non-GAAP reconciliations at the end of the presentation.

Q4 2023 U.S. Foodservice Results

Net Sales
(billions)



Adj. Operating Income[1]
(billions)



Q4 2023 GAAP Operating Income +9.8% to $1.0 billion

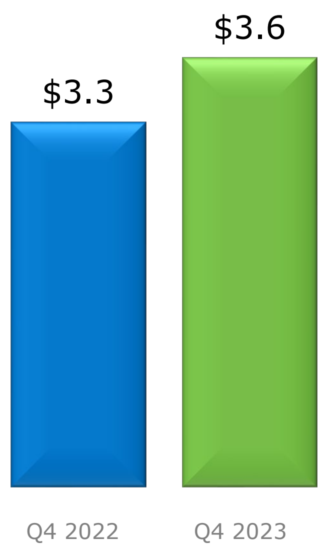
Overview

- Sales growth of 2.5% to $13.7 billion versus the prior year
- Total case volume grew 2.3% and local case volume grew 0.8%
- Gross profit increased 4.1% to $2.7 billion.
- Gross margin increased 30 bps to 19.7%

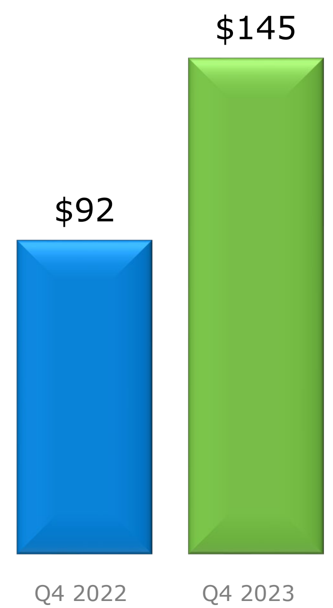
[1] See Non-GAAP reconciliations at the end of the presentation.

Q4 2023 International Results

Net Sales
(billions)



Adj. Operating Income[1]
(millions)



Q4 2023 GAAP Operating Income increased $74 million to $121 million

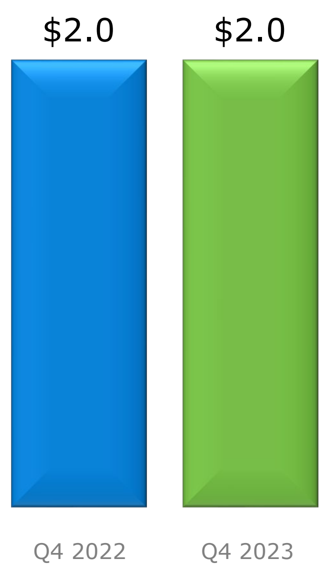
Overview

- Sales increased 12.2%, or 13.6% on a constant currency basis[1]
- Gross profit increased 11.1% to $724 million, or 11.9% to $729 million on a constant currency basis[1]
- Gross margin decreased 19 bps to 19.9%, or 29 bps to 19.8% on a constant currency basis[1]
- Adjusted operating income[1] grew 58.0% to $145 million. On a constant currency basis adjusted operating income[1] grew 59.8% to $147 million

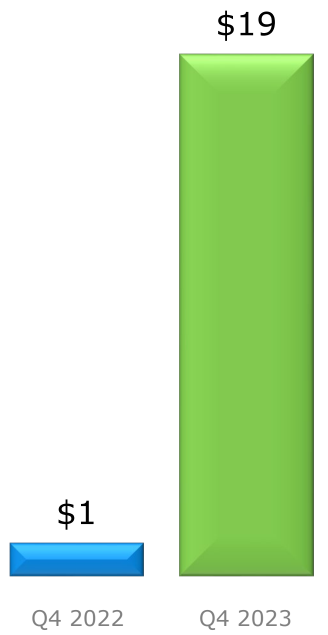
[1] See Non-GAAP reconciliations at the end of the presentation.

Q4 2023 SYGMA Results

Net Sales
(billions)



Operating Income
(millions)

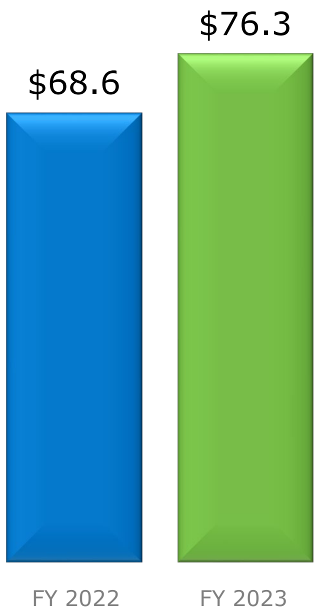


Overview

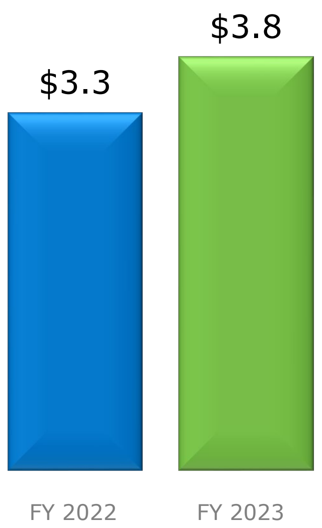
- SYGMA sales grew 1.4% to $2.0 billion
- Gross profit increased 4.4% to $161 million
- Gross margin of 8.0% increased 23 bps
- Operating expenses declined 7.1%

FY 2023 Consolidated Financial Results

Net Sales
(billions)

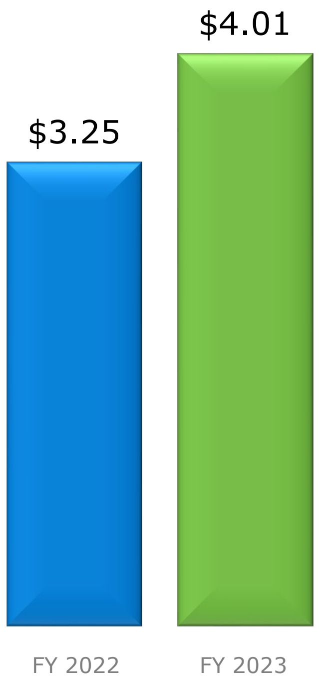


Adj. EBITDA[1]
(billions)



FY 2023 GAAP Operating Income
+29.5% to $3.0B

Adj. EPS[1]



Overview

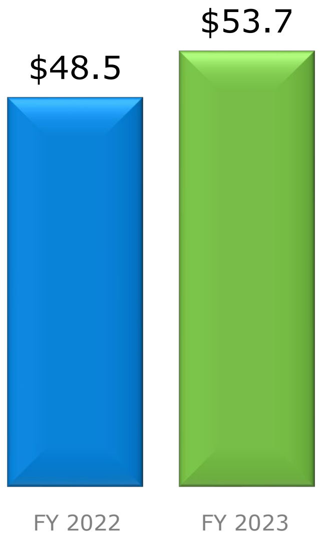
- Sales increased 11.2% to $76.3 billion versus the prior year
- Adjusted gross profit grew 12.6% to $14.0 billion and adjusted gross margin improved 22 bps to 18.3%
- Adj. operating income grew 21.7% to $3.2 billion – the most in the Company's history
- Adj. EPS of $4.01 grew 23.4% compared to the prior year

[1] See Non-GAAP reconciliations at the end of the presentation.

FY 2023 U.S. Foodservice Results

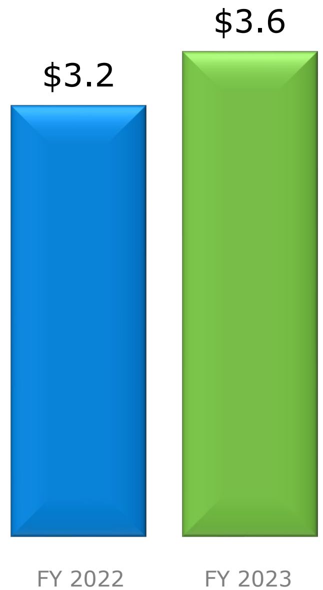
Net Sales

(billions)



Adj. Operating Income[1]

(billions)



FY 2023 GAAP Operating Income
+12.8% to $3.6 billion

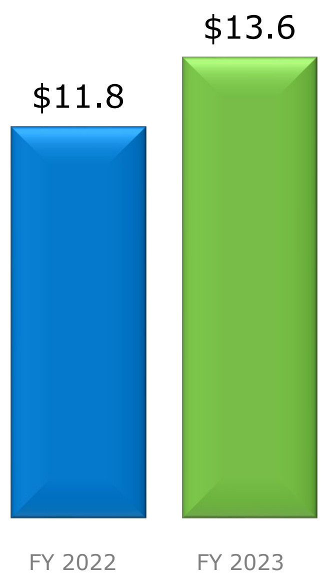
Overview

- Sales growth of +10.6% to $53.7 billion
- Total case volume grew 5.2% and local case volume grew 3.3%
- Gross profit increased 12.6% to $10.4 billion
- Gross margin increased 35 basis points to 19.3%
- Adj. operating income grew 13.5% to $3.6 billion

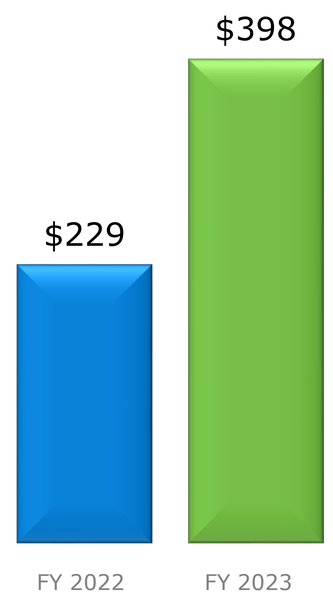
[1] See Non-GAAP reconciliations at the end of the presentation.

FY 2023 International Results

Net Sales
(billions)



Adj. Operating Income[1]
(millions)



FY 2023 GAAP Operating Income increased $213 million to $313 million

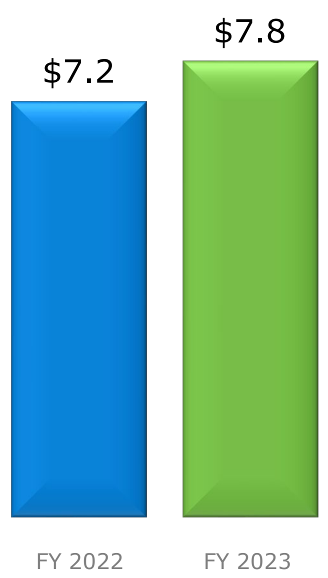
Overview

- Sales increased 15.0%, or 22.6% on a constant currency basis[1]
- Gross profit increased 11.1% to $2.6 billion, or 18.8% to $2.8 billion on a constant currency basis[1]
- Gross margin decreased 69 bps to 19.5%, or 63 bps to 19.5% on a constant currency basis[1]
- Adjusted operating income[1] grew $169 million to $398 million. On a constant currency basis adjusted operating income[1] grew 81.2% to $414 million

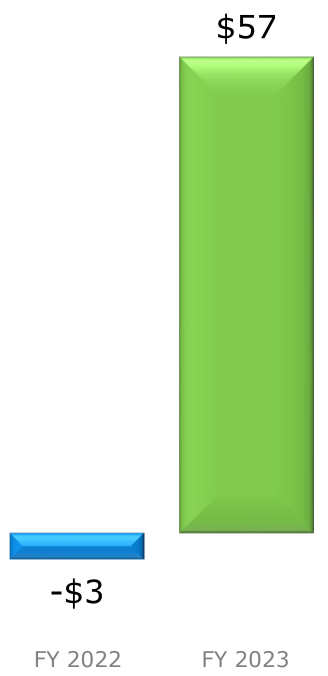
[1] See Non-GAAP reconciliations at the end of the presentation.

FY 2023 SYGMA Results

Net Sales
(billions)



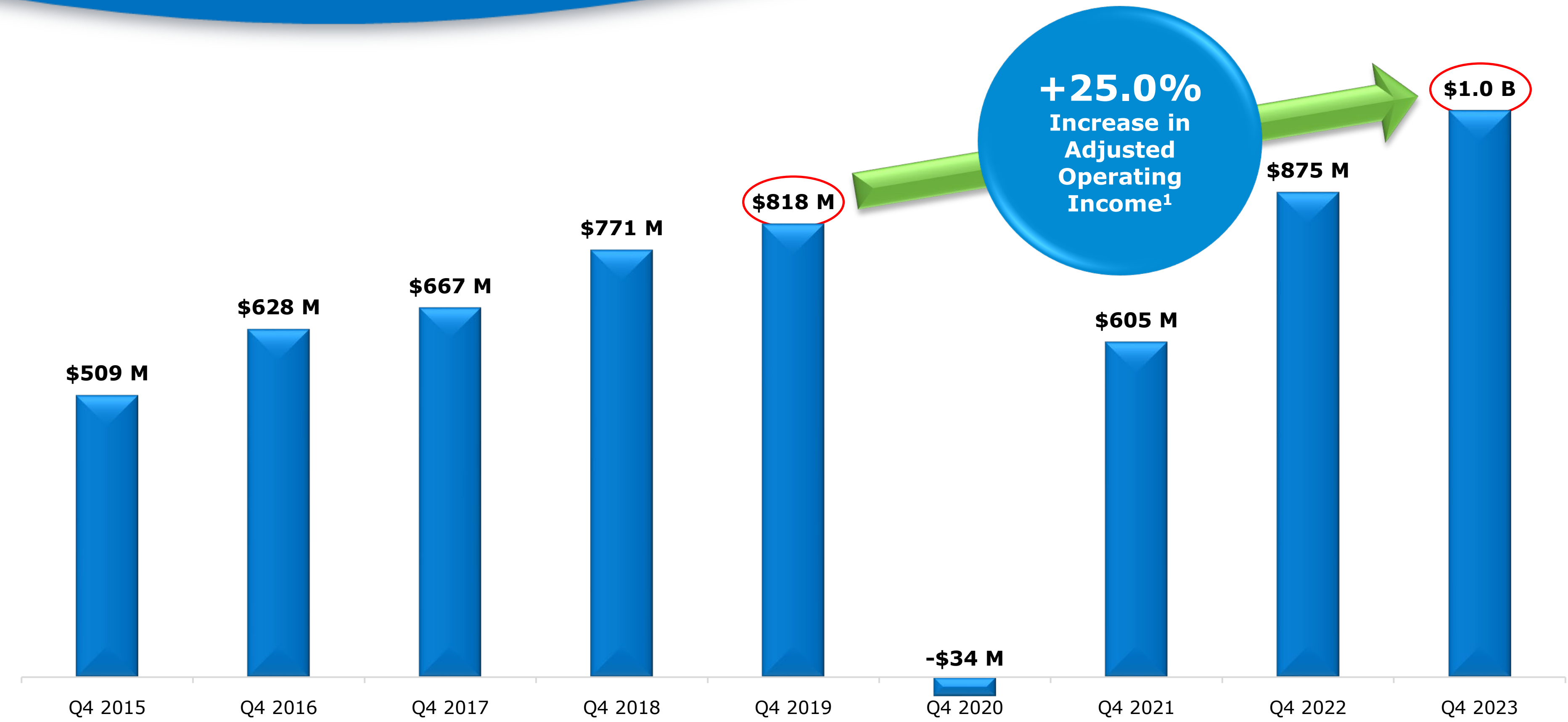
Operating Income
(millions)



Overview

- SYGMA sales grew 8.2% to $7.8 billion
- Gross profit increased 9.5% to $631 million
- Gross margin increased 10 basis points to 8.1%
- Operating expenses declined 0.8%

Historical Q4 Adjusted Operating Income[1]



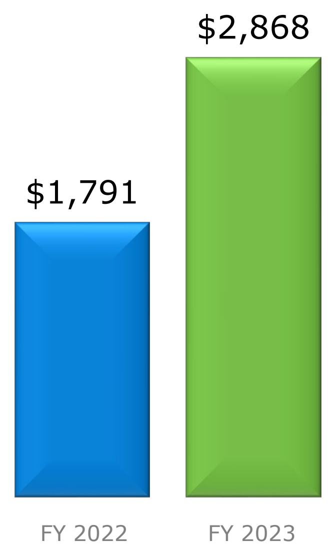
[1] See Non-GAAP reconciliations at the end of the presentation.

Historical FY Adjusted Operating Income[1]

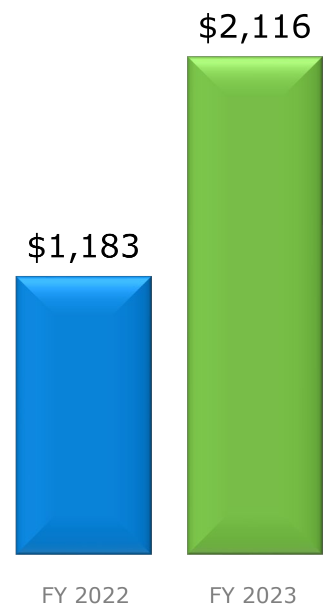
[1] See Non-GAAP reconciliations at the end of the presentation.

FY 2023 Cash Flow

Cash from Operations
(millions)



Free Cash Flow[1]
(millions)



Overview

- Cash flow from operations was $2.9 billion, a 60% increase
- Capital expenditures, net of proceeds from sales of plant and equipment, were $751 million, with continued advancement in our Recipe for Growth, particularly in our fleet and distribution facilities
- Free cash flow of $2.1 billion grew 79%
- Ended quarter with a cash balance of $745 million and net debt to adjusted EBITDA ratio[1] of 2.5x

[1] See Non-GAAP reconciliations at the end of the presentation.

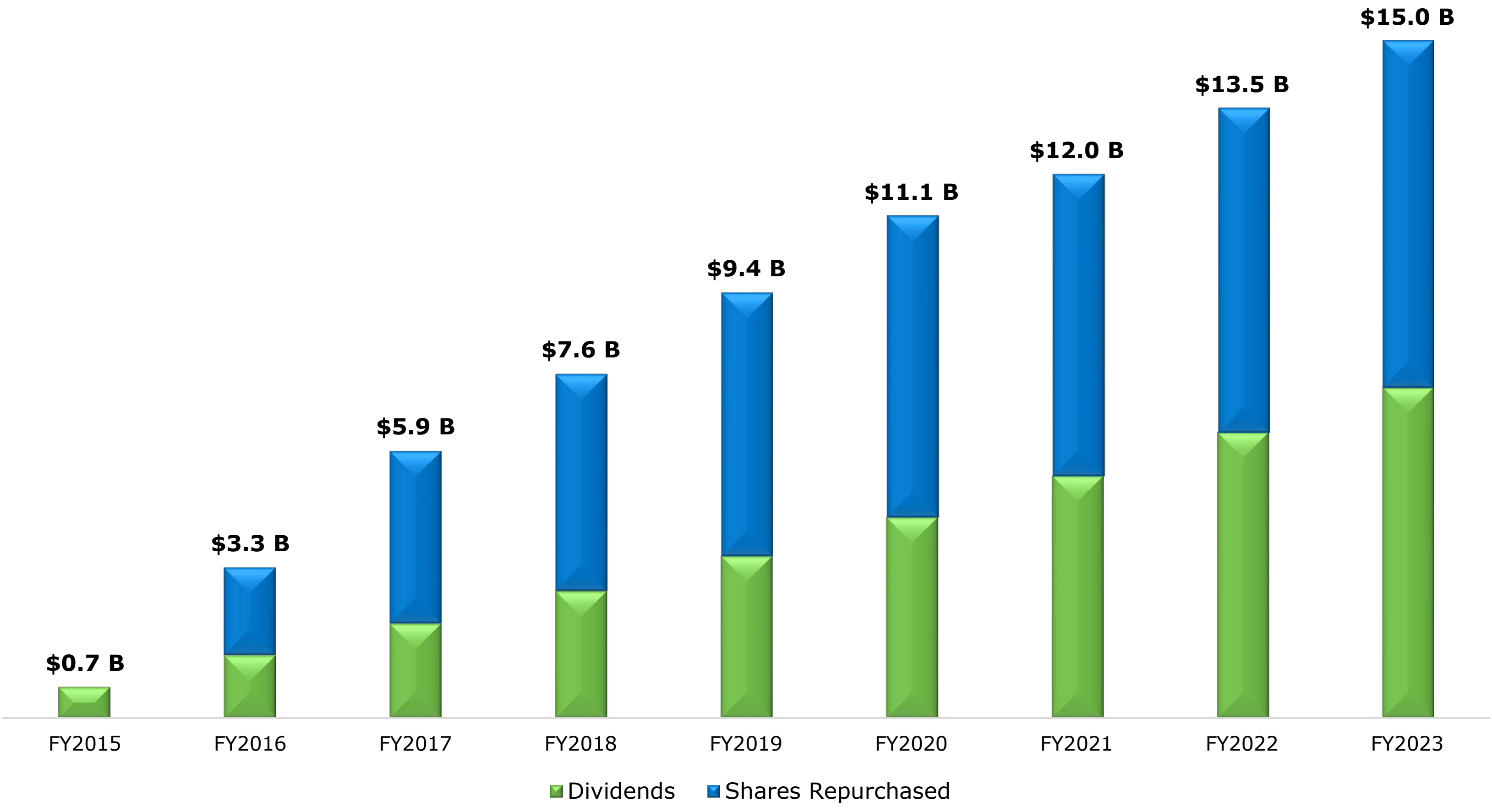
Capital Structure and Allocation

Investment Priority	Progress
1 Invest for Growth	• Capital investments in our technology, fleet and buildings • Announced the acquisition of BIX Produce within specialty FreshPoint business • Strong pipeline of tuck-in acquisitions focused on Broadline, Specialty and Cuisine-type opportunities as well as underpenetrated markets in the U.S., U.K. and Canada
2 Maintain a Strong Balance Sheet	• Maintaining a strong IG rating • Ended FY 2023 with a net debt to adjusted EBITDA[1] ratio of 2.5x • Expect to maintain a net debt to adjusted EBITDA[1] ratio of 2.5x-2.75x • No commercial paper outstanding and 100% of debt is fixed rate
3 Shareholder Return	• Committed to dividend aristocrat status and previously announced a $0.04 increase to FY 2024 dividend • During FY 2023, Sysco repurchased 6.2 million shares for $500 million • Expect to complete approximately $750 million of share repurchases in FY 2024

[1] See Non-GAAP reconciliations at the end of the presentation.

Sysco Has Consistently Increased Returns to Shareholders

Cumulative Cash Returned to Shareholders



Over $15 Billion of Cash Returned to Shareholders Through FY 2023

KEVIN HOURICAN

President & CEO

Sysco is Winning, Leading the Industry

- **Record adj. operating income and free cash flow in FY 2023**
- **Strong track record of sales growth,** growing annual sales in 51 years of our 54-year history

- **Committed to operating expense leverage and cost controls;** expect incremental $100 million in cost out for FY 2024
- Strong balance sheet, with **2.5x net debt to adjusted EBITDA ratio[1]** for FY 2023

- **Recipe for Growth initiatives are driving profitable growth**
- Positive momentum expected to drive **top- and bottom-line growth for FY 2024**

[1] See Non-GAAP reconciliations at the end of the presentation.

Investment Thesis

Sysco is Leading the Industry and Accelerating Growth

Expect to grow **meaningfully faster than the total market**

LT financial guidance includes **significant sales and EPS growth**

17% share of a $350B+ U.S. market and currently driving further share gains

Healthy Balance Sheet: only Investment-Grade Food Service Distributor

Compelling **shareholder returns** (dividend growth for 53 years and share buybacks)

$750+ million cost-out achieved, with incremental efforts targeted for FY 2024

Sustainability: Tangible **Science-Based Climate & DEI Goals**

Our mission, identity and values form our commitment to being **a purpose-driven company**

Industry leading service levels & advancing capabilities

Sysco®

At the heart of
food and service

NON-GAAP RECONCILIATIONS

At the heart of food and service

Impact of Certain Items

The discussion of our results includes certain non-GAAP financial measures, including EBITDA and adjusted EBITDA, that we believe provide important perspective with respect to underlying business trends. Other than free cash flow, any non-GAAP financial measures will be denoted as adjusted measures to remove the impact of restructuring and transformational project costs consisting of: (1) restructuring charges, (2) expenses associated with our various transformation initiatives and (3) severance charges; acquisition-related costs consisting of: (a) intangible amortization expense and (b) acquisition costs and due diligence costs related to our acquisitions; and the reduction of bad debt expense previously recognized in fiscal 2020 due to the impact of the COVID-19 pandemic on the collectability of our pre-pandemic trade receivable balances. Our results for fiscal 2023 were also impacted by adjustments to a product return allowance pertaining to COVID-related personal protection equipment inventory, a pension settlement charge that resulted from the purchase of a nonparticipating single premium group annuity contract that transferred defined benefit plan obligations to an insurer, and a litigation financing agreement. Our results for fiscal 2022 were also impacted by a write-down of COVID-related personal protection equipment inventory due to the reduction in the net realizable value of inventory, losses on the extinguishment of long-term debt and an increase in reserves for uncertain tax positions.

The results of our operations can be impacted due to changes in exchange rates applicable in converting local currencies to U.S. dollars. We measure our results on a constant currency basis. Constant currency operating results are calculated by translating current-period local currency operating results with the currency exchange rates used to translate the financial statements in the comparable prior-year period to determine what the current-period U.S. dollar operating results would have been if the currency exchange rate had not changed from the comparable prior-year period.

Management believes that adjusting its operating expenses, operating income, net earnings and diluted earnings per share to remove these Certain Items and presenting its results on a constant currency basis, provides an important perspective with respect to our underlying business trends and results and provides meaningful supplemental information to both management and investors that (1) is indicative of the performance of the company’s underlying operations and (2) facilitates comparisons on a year-over-year basis.

Sysco has a history of growth through acquisitions and excludes from its non-GAAP financial measures the impact of acquisition-related intangible amortization, acquisition costs and due-diligence costs for those acquisitions. We believe this approach significantly enhances the comparability of Sysco’s results for fiscal 2023 and fiscal 2022.

Set forth below is a reconciliation of sales, operating expenses, operating income, other (income) expense, net earnings and diluted earnings per share to adjusted results for these measures for the periods presented. Individual components of diluted earnings per share may not add up to the total presented due to rounding. Adjusted diluted earnings per share is calculated using adjusted net earnings divided by diluted shares outstanding.

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Sysco Corporation and its Consolidated Subsidiaries
Non-GAAP Reconciliation (Unaudited)
Impact of Certain Items, Q4 FY23 vs. Q4 FY22
(Dollars in Thousands, Except for Share and Per Share Data)

	13-Week Period Ended Jul. 1, 2023	13-Week Period Ended Jul. 2, 2022	Change in Dollars	%/bps Change
Sales (GAAP)	$ 19,728,216	$ 18,957,258	$ 770,958	4.1%
Impact of currency fluctuations (1)	47,538	-	47,538	0.2%
Comparable sales using a constant currency basis (Non-GAAP)	$ 19,775,754	$ 18,957,258	$ 818,496	4.3%
Cost of sales (GAAP)	$ 16,043,050	$ 15,512,986	$ 530,064	3.4%
Impact of inventory valuation adjustment (2)	-	(43,673)	43,673	0.3%
Cost of sales adjusted for Certain Items (Non-GAAP)	$ 16,043,050	$ 15,469,313	$ 573,737	3.7%
Gross profit (GAAP)	$ 3,685,166	$ 3,444,272	$ 240,894	7.0%
Impact of inventory valuation adjustment (2)	-	43,673	(43,673)	-1.3%
Gross profit adjusted for Certain Items (Non-GAAP)	3,685,166	3,487,945	197,221	5.7%
Impact of currency fluctuations (1)	6,070	-	6,070	0.1%
Comparable gross profit adjusted for Certain Items using a constant currency basis (Non-GAAP)	$ 3,691,236	$ 3,487,945	$ 203,291	5.8%
Gross margin (GAAP)	18.68%	18.17%		51 bps
Impact of inventory valuation adjustment (2)	0.00%	0.23%		-23 bps
Gross margin adjusted for Certain Items (Non-GAAP)	18.68%	18.40%		28 bps
Impact of currency fluctuations (1)	-0.01%	0.00%		-1 bps
Comparable gross margin adjusted for Certain Items using a constant currency basis (Non-GAAP)	18.67%	18.40%		27 bps
Operating expenses (GAAP)	$ 2,715,769	$ 2,677,802	$ 37,967	1.4%
Impact of restructuring and transformational project costs (3)	(24,678)	(37,417)	12,739	34.0%
Impact of acquisition-related costs (4)	(28,470)	(35,724)	7,254	20.3%
Impact of bad debt reserve adjustments (5)	-	8,783	(8,783)	NM
Operating expenses adjusted for Certain Items (Non-GAAP)	2,662,621	2,613,444	49,177	1.9%
Impact of currency fluctuations (1)	3,596	-	3,596	0.1%
Comparable operating expenses adjusted for Certain Items using a constant currency basis (Non-GAAP)	$ 2,666,217	$ 2,613,444	$ 52,773	2.0%
Operating expense as a percentage of sales (GAAP)	13.77%	14.13%		-36 bps
Impact of certain items adjustments	-0.27%	-0.34%		7 bps
Adjusted operating expense as a percentage of sales (Non-GAAP)	13.50%	13.79%		-29 bps
Operating income (GAAP)	$ 969,397	$ 766,470	$ 202,927	26.5%
Impact of inventory valuation adjustment (2)	-	43,673	(43,673)	NM
Impact of restructuring and transformational project costs (3)	24,678	37,417	(12,739)	-34.0%
Impact of acquisition-related costs (4)	28,470	35,724	(7,254)	-20.3%
Impact of bad debt reserve adjustments (5)	-	(8,783)	8,783	NM
Operating income adjusted for Certain Items (Non-GAAP)	1,022,545	874,501	148,044	16.9%
Impact of currency fluctuations (1)	2,474	-	2,474	0.3%
Comparable operating income adjusted for Certain Items using a constant currency basis (Non-GAAP)	$ 1,025,019	$ 874,501	$ 150,518	17.2%

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Sysco Corporation and its Consolidated Subsidiaries
Non-GAAP Reconciliation (Unaudited)
Impact of Certain Items, Q4 FY23 vs. Q4 FY22
(Dollars in Thousands, Except for Share and Per Share Data) continued

Operating margin (GAAP)	4.91%	4.04%		87 bps
Operating margin adjusted for Certain Items (Non-GAAP)	5.18%	4.61%		57 bps
Operating margin adjusted for Certain Items on a constant currency basis (Non-GAAP)	5.18%	4.61%		57 bps
Interest expense (GAAP)	$ 135,629	$ 128,512	$ 7,117	5.5%
Other income (GAAP)	$ (124,172)	$ (3,921)	$ (120,251)	NM
Impact of other non-routine gains and losses	120,867	-	120,867	NM
Other income adjusted for Certain Items (Non-GAAP)	$ (3,305)	$ (3,921)	$ 616	15.7%
Net earnings (GAAP)	$ 733,736	$ 509,989	$ 223,747	43.9%
Impact of inventory valuation adjustment (2)	-	43,673	(43,673)	NM
Impact of restructuring and transformational project costs (3)	24,678	37,417	(12,739)	-34.0%
Impact of acquisition-related costs (4)	28,470	35,724	(7,254)	-20.3%
Impact of bad debt reserve adjustments (5)	-	(8,783)	8,783	NM
Impact of other non-routine gains and losses	(120,867)	-	(120,867)	NM
Tax impact of inventory valuation adjustment (6)	-	(11,452)	11,452	NM
Tax impact of restructuring and transformational project costs (6)	(6,265)	(10,082)	3,817	37.9%
Tax impact of acquisition-related costs (6)	(7,227)	(9,847)	2,620	26.6%
Tax Impact of bad debt reserve adjustments (6)	-	2,383	(2,383)	NM
Tax impact of loss on extinguishment of debt (6)	-	(699)	699	NM
Tax impact of other non-routine gains and losses (6)	30,683	-	30,683	NM
Net earnings adjusted for Certain Items (Non-GAAP)	$ 683,208	$ 588,323	$ 94,885	16.1%
Diluted earnings per share (GAAP)	$ 1.44	$ 0.99	$ 0.45	45.5%
Impact of inventory valuation adjustment (2)	-	0.09	(0.09)	NM
Impact of restructuring and transformational project costs (3)	0.05	0.07	(0.02)	-28.6%
Impact of acquisition-related costs (4)	0.06	0.07	(0.01)	-14.3%
Impact of bad debt reserve adjustments (5)	-	(0.02)	0.02	NM
Impact of other non-routine gains and losses	(0.24)	-	(0.24)	NM
Tax impact of inventory valuation adjustment (6)	-	(0.02)	0.02	NM
Tax impact of restructuring and transformational project costs (6)	(0.01)	(0.02)	0.01	50.0%
Tax impact of acquisition-related costs (6)	(0.01)	(0.02)	0.01	50.0%
Tax impact of other non-routine gains and losses (6)	0.06	-	0.06	NM
Diluted earnings per share adjusted for Certain Items (Non-GAAP) (7)	$ 1.34	$ 1.15	$ 0.19	16.5%
Diluted shares outstanding	508,507,679	513,426,966		

(1) Represents a constant currency adjustment, which eliminates the impact of foreign currency fluctuations on the current year results.

(2) Fiscal 2022 represents a write-down of COVID-related personal protection equipment inventory due to the reduction in the net realizable value of inventory.

(3) Fiscal 2023 includes $8 million related to restructuring and severance charges and $17 million related to various transformation initiative costs, primarily consisting of changes to our business technology strategy. Fiscal 2022 includes $29 million related to restructuring and serverance charges and $8 million related to various transformation initiative costs, primarily consisting of changes to our business technology strategy.

(4) Fiscal 2023 includes $27 million of intangible amortization expense and $1 million in acquisition and due diligence costs. Fiscal 2022 includes $31 million of intangible amortization expense and $5 million in acquisition and due diligence costs.

(5) Fiscal 2022 represents the reduction of bad debt charges previously taken on pre-pandemic trade receivable balances in fiscal 2020.

(6) The tax impact of adjustments for Certain Items is calculated by multiplying the pretax impact of each Certain Item by the statutory rates in effect for each jurisdiction where the Certain Item was incurred.

(7) Individual components of diluted earnings per share may not add up to the total presented due to rounding. Total diluted earnings per share is calculated using adjusted net earnings divided by diluted shares outstanding.

NM represents that the percentage change is not meaningful.

At the heart of food and service

Sysco Corporation and its Consolidated Subsidiaries
Non-GAAP Reconciliation (Unaudited)
Impact of Certain Items, FY23 vs. FY22
(Dollars in Thousands, Except for Share and Per Share Data)

	52-Week Period Ended Jul. 1, 2023	52-Week Period Ended Jul. 2, 2022	Change in Dollars	%/bps Change
Sales (GAAP)	$ 76,324,675	$ 68,636,146	$ 7,688,529	11.2%
Impact of currency fluctuations (1)	910,290	-	910,290	1.3%
Comparable sales using a constant currency basis (Non-GAAP)	$ 77,234,965	$ 68,636,146	$ 8,598,819	12.5%
Cost of sales	$ 62,369,678	$ 56,315,622	$ 6,054,056	10.8%
Impact of inventory valuation adjustment (2)	2,571	(73,224)	75,795	0.1%
Cost of sales adjusted for Certain Items (Non-GAAP)	$ 62,372,249	$ 56,242,398	$ 6,129,851	10.9%
Gross profit (GAAP)	$ 13,954,997	$ 12,320,524	$ 1,634,473	13.3%
Impact of inventory valuation adjustment (2)	(2,571)	73,224	(75,795)	-0.7%
Gross profit adjusted for Certain Items (Non-GAAP)	13,952,426	12,393,748	1,558,678	12.6%
Impact of currency fluctuations (1)	188,796	-	188,796	1.5%
Comparable gross profit adjusted for Certain Items using a constant currency basis (Non-GAAP)	$ 14,141,222	$ 12,393,748	$ 1,747,474	14.1%
Gross margin (GAAP)	18.28%	17.95%		33 bps
Impact of inventory valuation adjustment (2)	0.00%	0.11%		-11 bps
Gross margin adjusted for Certain Items (Non-GAAP)	18.28%	18.06%		22 bps
Impact of currency fluctuations (1)	0.03%	0.00%		3 bps
Comparable gross margin adjusted for Certain Items using a constant currency basis (Non-GAAP)	18.31%	18.06%		25 bps
Operating expenses (GAAP)	$ 10,916,448	$ 9,974,024	$ 942,424	9.4%
Impact of restructuring and transformational project costs (3)	(62,965)	(107,475)	44,510	41.4%
Impact of acquisition-related costs (4)	(115,889)	(139,173)	23,284	16.7%
Impact of bad debt reserve adjustments (5)	4,425	27,999	(23,574)	-84.2%
Operating expenses adjusted for Certain Items (Non-GAAP)	10,742,019	9,755,375	986,644	10.1%
Impact of currency fluctuations (1)	182,873	-	182,873	1.9%
Comparable operating expenses adjusted for Certain Items using a constant currency basis (Non-GAAP)	$ 10,924,892	$ 9,755,375	$ 1,169,517	12.0%
Operating expense as a percentage of sales (GAAP)	14.30%	14.53%		-23 bps
Impact of certain items adjustments	-0.23%	-0.32%		9 bps
Adjusted operating expense as a percentage of sales (Non-GAAP)	14.07%	14.21%		-14 bps
Operating income (GAAP)	$ 3,038,549	$ 2,346,500	$ 692,049	29.5%
Impact of inventory valuation adjustment (2)	(2,571)	73,224	(75,795)	NM
Impact of restructuring and transformational project costs (3)	62,965	107,475	(44,510)	-41.4%
Impact of acquisition-related costs (4)	115,889	139,173	(23,284)	-16.7%
Impact of bad debt reserve adjustments (5)	(4,425)	(27,999)	23,574	84.2%
Operating income adjusted for Certain Items (Non-GAAP)	3,210,407	2,638,373	572,034	21.7%
Impact of currency fluctuations (1)	5,923	-	5,923	0.2%
Comparable operating income adjusted for Certain Items using a constant currency basis (Non-GAAP)	$ 3,216,330	$ 2,638,373	$ 577,957	21.9%
Operating margin (GAAP)	3.98%	3.42%		56 bps
Operating margin adjusted for Certain Items (Non-GAAP)	4.21%	3.84%		37 bps
Operating margin adjusted for Certain Items using a constant currency basis (Non-GAAP)	4.16%	3.84%		32 bps
Interest expense (GAAP)	$ 526,752	$ 623,643	$ (96,891)	-15.5%
Impact of loss on extinguishment of debt	-	(115,603)	115,603	NM
Interest expense adjusted for Certain Items (Non-GAAP)	$ 526,752	$ 508,040	$ 18,712	3.7%

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Sysco Corporation and its Consolidated Subsidiaries
Non-GAAP Reconciliation (Unaudited)
Impact of Certain Items, FY23 vs. FY22
(Dollars in Thousands, Except for Share and Per Share Data) continued

Other expense (income) (GAAP)	$ 226,442	$ (23,916)	$ 250,358	NM
Impact of other non-routine gains and losses (6)	(194,459)	-	(194,459)	NM
Other expense (income) adjusted for Certain Items (Non-GAAP)	$ 31,983	$ (23,916)	$ 55,899	NM
Net earnings (GAAP)	$ 1,770,124	$ 1,358,768	$ 411,356	30.3%
Impact of inventory valuation adjustment (2)	(2,571)	73,224	(75,795)	NM
Impact of restructuring and transformational project costs (3)	62,965	107,475	(44,510)	-41.4%
Impact of acquisition-related costs (4)	115,889	139,173	(23,284)	-16.7%
Impact of bad debt reserve adjustments (5)	(4,425)	(27,999)	23,574	84.2%
Impact of loss on extinguishment of debt	-	115,603	(115,603)	NM
Impact of other non-routine gains and losses (6)	194,459	-	194,459	NM
Tax impact of inventory valuation adjustment (7)	647	(18,902)	19,549	NM
Tax impact of restructuring and transformational project costs (7)	(15,847)	(27,743)	11,896	42.9%
Tax impact of acquisition-related costs (7)	(29,166)	(35,926)	6,760	18.8%
Tax Impact of bad debt reserve adjustments (7)	1,114	7,228	(6,114)	-84.6%
Tax impact of loss on extinguishment of debt (7)	-	(29,841)	29,841	NM
Tax impact of other non-routine gains and losses (7)	(48,941)	-	(48,941)	NM
Impact of adjustments to uncertain tax positions	-	12,000	(12,000)	NM
Net earnings adjusted for Certain Items (Non-GAAP)	$ 2,044,248	$ 1,673,060	$ 371,188	22.2%
Diluted earnings per share (GAAP)	$ 3.47	$ 2.64	$ 0.83	31.4%
Impact of inventory valuation adjustment (2)	(0.01)	0.14	(0.15)	NM
Impact of restructuring and transformational project costs (3)	0.12	0.21	(0.09)	-42.9%
Impact of acquisition-related costs (4)	0.23	0.27	(0.04)	-14.8%
Impact of bad debt reserve adjustments (5)	(0.01)	(0.05)	0.04	80.0%
Impact of loss on extinguishment of debt	-	0.22	(0.22)	NM
Impact of other non-routine gains and losses (6)	0.38	-	0.38	NM
Tax impact of inventory valuation adjustment (7)	-	(0.04)	0.04	NM
Tax impact of restructuring and transformational project costs (7)	(0.03)	(0.05)	0.02	40.0%
Tax impact of acquisition-related costs (7)	(0.06)	(0.07)	0.01	14.3%
Tax Impact of bad debt reserve adjustments (7)	-	0.01	(0.01)	NM
Tax impact of loss on extinguishment of debt (7)	-	(0.06)	0.06	NM
Tax impact of other non-routine gains and losses (7)	(0.10)	-	(0.10)	NM
Impact of adjustments to uncertain tax positions	-	0.02	(0.02)	NM
Diluted earnings per share adjusted for Certain Items (Non-GAAP) (8)	$ 4.01	$ 3.25	$ 0.76	23.4%
Diluted shares outstanding	509,719,756	514,005,827		

[1] Represents a constant currency adjustment, which eliminates the impact of foreign currency fluctuations on the current year results.

[2] Fiscal 2023 represents an adjustment to a product return allowance, related to COVID-related personal protection equipment inventory. Fiscal 2022 represents a write-down of COVID-related personal protection equipment inventory due to the reduction in the net realizable value of inventory.

[3] Fiscal 2023 includes $20 million related to restructuring and severance charges and $43 million related to various transformation initiative costs, primarily consisting of changes to our business technology strategy. Fiscal 2022 includes $59 million related to restructuring and severance charges and $49 million related to various transformation initiative costs, primarily consisting of changes to our business technology strategy.

[4] Fiscal 2023 includes $105 million of intangible amortization expense and $10 million in acquisition and due diligence costs. Fiscal 2022 includes $106 million of intangible amortization expense and $33 million in acquisition and due diligence costs.

[5] Fiscal 2023 and fiscal 2022 represent the reduction of bad debt charges previously taken on pre-pandemic trade receivable balances in fiscal 2020.

[6] Fiscal 2023 primarily includes a pension settlement charge of $315 million that resulted from the purchase of a nonparticipating single premium group annuity contract that transferred defined benefit plan obligations to an insurer and $122 million in income from a litigation financing agreement.

[7] The tax impact of adjustments for Certain Items is calculated by multiplying the pretax impact of each Certain Item by the statutory rates in effect for each jurisdiction where the Certain Item was incurred.

[8] Individual components of diluted earnings per share may not add up to the total presented due to rounding. Total diluted earnings per share is calculated using adjusted net earnings divided by diluted shares outstanding.

NM represents that the percentage change is not meaningful.

Sysco Corporation and its Consolidated Subsidiaries
Segment Results
Non-GAAP Reconciliation (Unaudited)
Impact of Certain Items on Applicable Segments, Q4 FY23 vs. Q4 FY22
(Dollars in Thousands)

	13-Week Period Ended Jul. 1, 2023	13-Week Period Ended Jul. 2, 2022	Change in Dollars	%/bps Change
U.S. FOODSERVICE OPERATIONS				
Sales (GAAP)	$ 13,745,839	$ 13,413,281	$ 332,558	2.5%
Gross Profit (GAAP)	$ 2,707,712	$ 2,601,656	$ 106,056	4.1%
Gross Margin (GAAP)	19.70%	19.40%		30 bps
Operating expenses (GAAP)	$ 1,661,691	$ 1,649,413	$ 12,278	0.7%
Impact of restructuring and transformational project costs	(614)	(778)	164	21.1%
Impact of acquisition-related costs (1)	(10,479)	(10,825)	346	3.2%
Impact of bad debt reserve adjustments (2)	-	4,035	(4,035)	NM
Operating expenses adjusted for Certain Items (Non-GAAP)	$ 1,650,598	$ 1,641,845	$ 8,753	0.5%
Operating income (GAAP)	$ 1,046,021	$ 952,243	$ 93,778	9.8%
Impact of restructuring and transformational project costs	614	778	(164)	-21.1%
Impact of acquisition-related costs (1)	10,479	10,825	(346)	-3.2%
Impact of bad debt reserve adjustments (2)	-	(4,035)	4,035	NM
Operating income adjusted for Certain Items (Non-GAAP)	$ 1,057,114	$ 959,811	$ 97,303	10.1%
INTERNATIONAL FOODSERVICE OPERATIONS				
Sales (GAAP)	$ 3,649,343	$ 3,251,841	$ 397,502	12.2%
Impact of currency fluctuations (3)	44,130	-	44,130	1.4%
Comparable sales using a constant currency basis (Non-GAAP)	$ 3,693,473	$ 3,251,841	$ 441,632	13.6%
Gross Profit (GAAP)	$ 724,357	$ 651,787	$ 72,570	11.1%
Impact of currency fluctuations (3)	4,949	-	4,949	0.8%
Comparable gross profit using a constant currency basis (Non-GAAP)	$ 729,306	$ 651,787	$ 77,519	11.9%
Gross Margin (GAAP)	19.85%	20.04%		-19 bps
Impact of currency fluctuations (3)	-0.10%	0.00%		-10 bps
Comparable gross margin using a constant currency basis (Non-GAAP)	19.75%	20.04%		-29 bps
Operating expenses (GAAP)	$ 603,853	$ 605,391	$ (1,538)	-0.3%
Impact of restructuring and transformational project costs (4)	(7,423)	(27,257)	19,834	72.8%
Impact of acquisition-related costs (5)	(16,977)	(22,790)	5,813	25.5%
Impact of bad debt reserve adjustments (2)	-	4,748	(4,748)	NM
Operating expenses adjusted for Certain Items (Non-GAAP)	579,453	560,092	19,361	3.5%
Impact of currency fluctuations (3)	3,351	-	3,351	0.6%
Comparable operating expenses adjusted for Certain Items using a constant currency basis (Non-GAAP)	$ 582,804	$ 560,092	$ 22,712	4.1%
Operating income (GAAP)	$ 120,504	$ 46,396	$ 74,108	NM
Impact of restructuring and transformational project costs (4)	7,423	27,257	(19,834)	-72.8%
Impact of acquisition-related costs (5)	16,977	22,790	(5,813)	-25.5%
Impact of bad debt reserve adjustments (2)	-	(4,748)	4,748	NM
Operating income adjusted for Certain Items (Non-GAAP)	144,904	91,695	53,209	58.0%
Impact of currency fluctuations (3)	1,598	-	1,598	1.8%
Comparable operating income adjusted for Certain Items using a constant currency basis (Non-GAAP)	$ 146,502	$ 91,695	$ 54,807	59.8%
SYGMA				
Sales (GAAP)	$ 2,004,060	$ 1,975,631	$ 28,429	1.4%
Gross Profit (GAAP)	160,677	153,926	6,751	4.4%
Gross Margin (GAAP)	8.02%	7.79%		23 bps
Operating expenses	$ 141,866	$ 152,674	$ (10,808)	-7.1%
Operating income	18,811	1,252	17,559	NM

Sysco
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Sysco Corporation and its Consolidated Subsidiaries
Segment Results
Non-GAAP Reconciliation (Unaudited)
Impact of Certain Items on Applicable Segments, Q4 FY23 vs. Q4 FY22
(Dollars in Thousands) continued

OTHER				
Sales	$ 328,974	$ 316,505	$ 12,469	3.9%
Gross Profit	$ 88,715	$ 78,898	$ 9,817	12.4%
Gross Margin	26.97%	24.93%		204 bps
Operating expenses	$ 65,093	$ 64,158	$ 935	1.5%
Operating income (GAAP)	$ 23,622	$ 14,740	$ 8,882	60.3%
GLOBAL SUPPORT CENTER				
Gross profit (loss) (GAAP)	$ 3,705	$ (41,995)	$ 45,700	NM
Impact of inventory valuation adjustment (6)	-	43,673	(43,673)	NM
Gross profit adjusted for certain items (Non-GAAP)	$ 3,705	$ 1,678	$ 2,027	NM
Operating expenses (GAAP)	$ 243,266	$ 206,166	$ 37,100	18.0%
Impact of restructuring and transformational project costs (7)	(16,641)	(9,382)	(7,259)	-77.4%
Impact of acquisition related costs (8)	(1,014)	(2,109)	1,095	51.9%
Operating expenses adjusted for Certain Items (Non-GAAP)	$ 225,611	$ 194,675	$ 30,936	15.9%
Operating loss (GAAP)	$ (239,561)	$ (248,161)	$ 8,600	3.5%
Impact of inventory valuation adjustment (6)	-	43,673	(43,673)	NM
Impact of restructuring and transformational project costs (7)	16,641	9,382	7,259	77.4%
Impact of acquisition related costs (8)	1,014	2,109	(1,095)	-51.9%
Operating loss adjusted for Certain Items (Non-GAAP)	$ (221,906)	$ (192,997)	$ (28,909)	-15.0%
TOTAL SYSCO				
Sales	$ 19,728,216	$ 18,957,258	$ 770,958	4.1%
Gross Profit	$ 3,685,166	$ 3,444,272	$ 240,894	7.0%
Gross Margin	18.68%	18.17%		51 bps
Operating expenses (GAAP)	$ 2,715,769	$ 2,677,802	$ 37,967	1.4%
Impact of restructuring and transformational project costs (4) (7)	(24,678)	(37,417)	12,739	34.0%
Impact of acquisition-related costs (1) (5) (8)	(28,470)	(35,724)	7,254	20.3%
Impact of bad debt reserve adjustments (2)	-	8,783	(8,783)	NM
Operating expenses adjusted for Certain Items (Non-GAAP)	$ 2,662,621	$ 2,613,444	$ 49,177	1.9%
Operating income (GAAP)	$ 969,397	$ 766,470	$ 202,927	26.5%
Impact of inventory valuation adjustment (6)	-	43,673	(43,673)	NM
Impact of restructuring and transformational project costs (4) (7)	24,678	37,417	(12,739)	-34.0%
Impact of acquisition-related costs (1) (5) (8)	28,470	35,724	(7,254)	-20.3%
Impact of bad debt reserve adjustments (2)	-	(8,783)	8,783	NM
Operating income adjusted for Certain Items (Non-GAAP)	$ 1,022,545	$ 874,501	$ 148,044	16.9%

(1) Fiscal 2023 and fiscal 2022 include intangible amortization expense and acquisition costs.
(2) Fiscal 2022 represents the reduction of bad debt charges previously taken on pre-pandemic trade receivable balances in fiscal 2020.
(3) Represents a constant currency adjustment, which eliminates the impact of foreign currency fluctuations on current year results.
(4) Includes restructuring and facility closure costs primarily in Europe.
(5) Represents intangible amortization expense.
(6) Fiscal 2022 represents a write-down of COVID-related personal protection equipment inventory due to the reduction in the net realizable value of inventory.
(7) Includes various transformation initiative costs, primarily consisting of changes to our business technology strategy.
(8) Represents due diligence costs.
NM represents that the percentage change is not meaningful.

Sysco At the heart of food and service

Sysco Corporation and its Consolidated Subsidiaries
Segment Results
Non-GAAP Reconciliation (Unaudited)
Impact of Certain Items on Applicable Segments, FY23 vs. FY22
(Dollars in Thousands)

	52-Week Period Ended Jul. 1, 2023	52-Week Period Ended Jul. 2, 2022	Change in Dollars	%/bps Change
U.S. FOODSERVICE OPERATIONS				
Sales	$ 53,682,894	$ 48,520,562	$ 5,162,332	10.6%
Gross Profit	10,359,003	9,196,133	1,162,870	12.6%
Gross Margin	19.30%	18.95%		35 bps
Operating expenses (GAAP)	$ 6,772,427	$ 6,015,428	$ 756,999	12.6%
Impact of restructuring and transformational project costs	(817)	(1,162)	345	29.7%
Impact of acquisition-related costs (1)	(46,042)	(36,207)	(9,835)	-27.2%
Impact of bad debt reserve adjustments (2)	4,170	20,765	(16,595)	-79.9%
Operating expenses adjusted for Certain Items (Non-GAAP)	$ 6,729,738	$ 5,998,824	$ 730,914	12.2%
Operating income (GAAP)	$ 3,586,576	$ 3,180,705	$ 405,871	12.8%
Impact of restructuring and transformational project costs	817	1,162	(345)	-29.7%
Impact of acquisition-related costs (1)	46,042	36,207	9,835	27.2%
Impact of bad debt reserve adjustments (2)	(4,170)	(20,765)	16,595	79.9%
Operating income adjusted for Certain Items (Non-GAAP)	$ 3,629,265	$ 3,197,309	$ 431,956	13.5%
INTERNATIONAL FOODSERVICE OPERATIONS				
Sales (GAAP)	$ 13,559,610	$ 11,787,449	$ 1,772,161	15.0%
Impact of currency fluctuations (3)	892,296	-	892,296	7.6%
Comparable sales using a constant currency basis (Non-GAAP)	$ 14,451,906	$ 11,787,449	$ 2,664,457	22.6%
Gross Profit (GAAP)	$ 2,640,860	$ 2,377,093	$ 263,767	11.1%
Impact of currency fluctuations (3)	182,803	-	182,803	7.7%
Comparable gross profit using a constant currency basis (Non-GAAP)	$ 2,823,663	$ 2,377,093	$ 446,570	18.8%
Gross Margin (GAAP)	19.48%	20.17%		-69 bps
Impact of currency fluctuations (3)	0.06%	0.00%		6 bps
Comparable gross margin using a constant currency basis (Non-GAAP)	19.54%	20.17%		-63 bps
Operating expenses (GAAP)	$ 2,327,411	$ 2,277,060	$ 50,351	2.2%
Impact of restructuring and transformational project costs (4)	(19,018)	(57,683)	38,665	67.0%
Impact of acquisition-related costs (5)	(65,511)	(78,062)	12,551	16.1%
Impact of bad debt reserve adjustments (2)	255	7,236	(6,981)	-96.5%
Operating expenses adjusted for Certain Items (Non-GAAP)	2,243,137	2,148,551	94,586	4.4%
Impact of currency fluctuations (3)	166,356	-	166,356	7.7%
Comparable operating expenses adjusted for Certain Items using a constant currency basis (Non-GAAP)	$ 2,409,493	$ 2,148,551	$ 260,942	12.1%
Operating income (GAAP)	$ 313,449	$ 100,033	$ 213,416	NM
Impact of restructuring and transformational project costs (4)	19,018	57,683	(38,665)	-67.0%
Impact of acquisition-related costs (5)	65,511	78,062	(12,551)	-16.1%
Impact of bad debt reserve adjustments (2)	(255)	(7,236)	6,981	96.5%
Operating income adjusted for Certain Items (Non-GAAP)	397,723	228,542	169,181	74.0%
Impact of currency fluctuations (3)	16,447	-	16,447	7.2%
Comparable operating income adjusted for Certain Items using a constant currency basis (Non-GAAP)	$ 414,170	$ 228,542	$ 185,628	81.2%
SYGMA				
Sales (GAAP)	$ 7,843,111	$ 7,245,824	$ 597,287	8.2%
Gross Profit (GAAP)	631,135	576,280	54,855	9.5%
Gross Margin (GAAP)	8.05%	7.95%		10 bps
Operating expenses (GAAP)	$ 574,609	$ 579,404	$ (4,795)	-0.8%
Operating income (loss) (GAAP)	56,526	(3,124)	59,650	NM

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Sysco Corporation and its Consolidated Subsidiaries
Segment Results
Non-GAAP Reconciliation (Unaudited)
Impact of Certain Items on Applicable Segments, FY23 vs. FY22
(Dollars in Thousands) continued

OTHER							
Sales (GAAP)	$	1,239,060	$	1,082,311	$	156,749	14.5%
Gross Profit (GAAP)		326,315		248,125		78,190	31.5%
Gross Margin (GAAP)		26.34%		22.93%			341 bps
Operating expenses (GAAP)	$	269,438	$	230,733	$	38,705	16.8%
Impact of bad debt reserve adjustments (2)		-		(2)		2	NM
Operating expenses adjusted for Certain Items (Non-GAAP)	$	269,438	$	230,731	$	38,707	16.8%
Operating income (GAAP)	$	56,877	$	17,392	$	39,485	NM
Impact of bad debt reserve adjustments (2)		-		2		(2)	NM
Operating income adjusted for Certain Items (Non-GAAP)	$	56,877	$	17,394	$	39,483	NM
GLOBAL SUPPORT CENTER							
Gross loss (GAAP)	$	(2,316)	$	(77,107)	$	74,791	97.0%
Impact of inventory valuation adjustment (6)		(2,571)		73,224		(75,795)	NM
Gross loss adjusted for Certain Items (Non-GAAP)	$	(4,887)	$	(3,883)	$	(1,004)	-25.9%
Operating expenses (GAAP)	$	972,563	$	871,399	$	101,164	11.6%
Impact of restructuring and transformational project costs (7)		(43,130)		(48,630)		5,500	11.3%
Impact of acquisition-related costs (8)		(4,336)		(24,904)		20,568	82.6%
Operating expenses adjusted for Certain Items (Non-GAAP)	$	925,097	$	797,865	$	127,232	15.9%
Operating loss (GAAP)	$	(974,879)	$	(948,506)	$	(26,373)	-2.8%
Impact of inventory valuation adjustment (6)		(2,571)		73,224		(75,795)	NM
Impact of restructuring and transformational project costs (7)		43,130		48,630		(5,500)	-11.3%
Impact of acquisition-related costs (8)		4,336		24,904		(20,568)	-82.6%
Operating loss adjusted for Certain Items (Non-GAAP)	$	(929,984)	$	(801,748)	$	(128,236)	-16.0%
TOTAL SYSCO							
Sales (GAAP)	$	76,324,675	$	68,636,146	$	7,688,529	11.2%
Gross Profit (GAAP)		13,954,997		12,320,524		1,634,473	13.3%
Gross margin (GAAP)		18.28%		17.95%			33 bps
Operating expenses (GAAP)	$	10,916,448	$	9,974,024	$	942,424	9.4%
Impact of restructuring and transformational project costs (4)(7)		(62,965)		(107,475)		44,510	41.4%
Impact of acquisition-related costs (1)(5)(8)		(115,889)		(139,173)		23,284	16.7%
Impact of bad debt reserve adjustments (2)		4,425		27,999		(23,574)	-84.2%
Operating expenses adjusted for Certain Items (Non-GAAP)	$	10,742,019	$	9,755,375	$	986,644	10.1%
Operating income (GAAP)	$	3,038,549	$	2,346,500	$	692,049	29.5%
Impact of inventory valuation adjustment (6)		(2,571)		73,224		(75,795)	NM
Impact of restructuring and transformational project costs (4)(7)		62,965		107,475		(44,510)	-41.4%
Impact of acquisition-related costs (1)(5)(8)		115,889		139,173		(23,284)	-16.7%
Impact of bad debt reserve adjustments (2)		(4,425)		(27,999)		23,574	84.2%
Operating income adjusted for Certain Items (Non-GAAP)	$	3,210,407	$	2,638,373	$	572,034	21.7%

(1) Fiscal 2023 and fiscal 2022 include intangible amortization expense and acquisition costs.
(2) Fiscal 2023 and fiscal 2022 represent the reduction of bad debt charges previously taken on pre-pandemic trade receivable balances in fiscal 2020.
(3) Represents a constant currency adjustment, which eliminates the impact of foreign currency fluctuations on current year results.
(4) Includes restructuring, severance and facility closure costs primarily in Europe.
(5) Represents intangible amortization expense.
(6) Fiscal 2023 represents an adjustment to a product return allowance, related to COVID-related personal protection equipment inventory. Fiscal 2022 represents a write-down of COVID-related personal protection equipment inventory due to the reduction in the net realizable value of inventory.
(7) Includes various transformation initiative costs, primarily consisting of changes to our business technology strategy.
(8) Represents due diligence costs.
NM represents that the percentage change is not meaningful.

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Sysco Corporation and its Consolidated Subsidiaries
Non-GAAP Reconciliation (Unaudited)
Impact of Certain Items
(In Thousands)

As noted in a previous reconciliation within this presentation, our discussion of our results includes certain non-GAAP financial measures, defined as Certain Items. The multi-year trend below represents our operating income adjusted for Certain Items. For these periods, our definition of Certain Items included (1) restructuring and transformational project costs consisting of: (a) restructuring charges, (b) expenses associated with our various transformation initiatives, (c) severance charges and (d) integration charges; (2) acquisition-related costs consisting of: (a) intangible amortization expense and (b) acquisition costs and due diligence costs related to our acquisitions; (3) impact of MEPP charges; (4) excess bad debt charges recognized on the increase in past due receivables arising from the COVID-19 pandemic; (5) the reduction of bad debt expense previously recognized in fiscal 2020 due to the impact of the COVID-19 pandemic on the collectability of our pre-pandemic trade receivable balances; and (6) impact of goodwill impairment.

The company uses these non-GAAP measures when evaluating its financial results as well as for internal planning and forecasting purposes. These financial measures should not be used as a substitute for GAAP measures in assessing the company's results of operations for the periods presented. An analysis of any non-GAAP financial measure should be used in conjunction with results presented in accordance with GAAP. As a result, in the tables that follow, each period presented is adjusted to remove the Certain Items noted above.

	13-Week Period Ended Jun. 27, 2015	14-Week Period Ended Jul. 2, 2016	13-Week Period Ended Jul. 1, 2017	13-Week Period Ended Jun. 30, 2018	13-Week Period Ended Jun. 29, 2019	13-Week Period Ended Jun. 27, 2020	14-Week Period Ended Jul. 3, 2021
Operating income (loss) (GAAP)	$ 120,995	$ 546,825	$ 557,959	$ 687,667	$ 720,734	$ (531,580)	$ 569,684
Impact of restructuring and transformational project costs	1,692	56,220 (2)	42,573 (4)	46,313 (6)	77,753 (8)	180,066 (10)	33,110 (12)
Impact of acquisition-related costs	386,558 (1)	25,212 (3)	30,697 (5)	37,230 (7)	19,789 (9)	13,251 (9)	24,826 (14)
Impact of MEPP charge	-	-	35,600	-	-	-	-
Impact of bad debt reserve adjustments	-	-	-	-	-	169,903 (11)	(22,441) (13)
Impact of goodwill impairment	-	-	-	-	-	134,481	-
Operating income (loss) adjusted for certain items (Non-GAAP)	$ 509,245	$ 628,257	$ 666,829	$ 771,210	$ 818,276	$ (33,879)	$ 605,179

(1) Fiscal 2015 includes US Foods merger and integration planning and transaction costs

(2) Fiscal 2016 includes severance charges, professional fees on 3-year financial objectives, other restructuring costs and costs associated with our revised business technology strategy.

(3) Fiscal 2016 includes Brakes Acquisition transaction costs.

(4) Fiscal 2017 includes $28 million in accelerated depreciation associated with our revised business technology strategy and $12 million related to restructuring expenses within our Brakes operations, costs to convert to legacy systems in conjunction with our revised business technology strategy, severance charges related to restructuring and professional fees on three-year financial objectives.

(5) Fiscal 2017 includes $20 million related to intangible amortization expense from the Brakes Acquisition, which is included in the results of Brakes, and $9 million in transaction costs.

(6) Fiscal 2018 includes business technology transformation initiative costs, restructuring expenses within our Brakes operations, professional fees on three-year financial objectives, severance charges related to restructuring and costs to convert to legacy systems in conjunction with our revised business technology strategy.

(7) Fiscal 2018 includes $16 million related to intangible amortization expense from the Brakes Acquisition, which is included in the results of Brakes, $4 million in integration costs, and a $14 million write-off for an intangible asset due to restructuring in France.

(8) Fiscal 2019 includes $37 million related to various transformation initiative costs, primarily consisting of changes to our business technology strategy and $41 million related to severance, restructuring and integration charges.

(9) Represents intangible amortization expense from the Brakes Acquisition, which is included in the results of International Foodservice.

(10) Fiscal 2020 includes $165 million related to severance, restructuring and integration charges and $15 million related to various transformation initiative costs, primarily consisting of changes to our business technology strategy.

(11) Fiscal 2020 represents excess bad debt charges recognized on the increase in past due receivables arising from the COVID-19 pandemic.

(12) Fiscal 2021 includes $17 million related to various transformation initiative costs, primarily consisting of changes to our business technology strategy and $16 million related to restructuring and severance charges.

(13) Fiscal 2021 represents the reduction of bad debt charges previously taken on pre-pandemic trade receivable balances in fiscal 2020.

(14) Fiscal 2021 represents $19 million of intangible amortization expense from the Brakes Acquisition, which is included in the results of International Foodservice, as well as $6 million of due diligence and integration costs related to Greco and Sons, which are included within Global Support Center expenses.

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Sysco Corporation and its Consolidated Subsidiaries
Non-GAAP Reconciliation (Unaudited)
Impact of Certain Items
(In Thousands)

As noted in a previous reconciliation within this presentation, our discussion of our results includes certain non-GAAP financial measures, defined as Certain Items. The multi-year trend below represents our operating income adjusted for Certain Items. For these periods, our definition of Certain Items included (1) restructuring and transformational project costs consisting of: (a) restructuring charges, (b) expenses associated with our various transformation initiatives, (c) severance charges and (d) integration charges; (2) acquisition-related costs consisting of: (a) intangible amortization expense and (b) acquisition costs and due diligence costs related to our acquisitions; (3) impact of MEPP charges; (4) excess bad debt charges recognized on the increase in past due receivables arising from the COVID-19 pandemic; (5) the reduction of bad debt expense previously recognized in fiscal 2020 due to the impact of the COVID-19 pandemic on the collectability of our pre-pandemic trade receivable balances; and (6) impact of goodwill impairment.

The company uses these non-GAAP measures when evaluating its financial results as well as for internal planning and forecasting purposes. These financial measures should not be used as a substitute for GAAP measures in assessing the company's results of operations for the periods presented. An analysis of any non-GAAP financial measure should be used in conjunction with results presented in accordance with GAAP. As a result, in the tables that follow, each period presented is adjusted to remove the Certain Items noted above.

	52-Week Period Ended Jun. 27, 2015	53-Week Period Ended Jul. 2, 2016	52-Week Period Ended Jul. 1, 2017	52-Week Period Ended Jun. 30, 2018	52-Week Period Ended Jun. 29, 2019	52-Week Period Ended Jun. 27, 2020	53-Week Period Ended Jul. 3, 2021
Operating income (GAAP)	$ 1,229,362	$ 1,850,500	$ 2,053,171	$ 2,328,974	$ 2,333,219	$ 749,505	$ 1,447,188
Impact of restructuring and transformational project costs	7,801	123,134 (2)	161,011 (4)	109,524 (6)	325,300 (8)	371,088 (10)	128,187 (12)
Impact of acquisition-related costs	554,667 (1)	35,614 (3)	102,049 (5)	108,136 (7)	77,832 (9)	64,793 (9)	79,540 (14)
Impact of MEPP charge	-	-	35,600	1,700	-	-	-
Impact of bad debt reserve adjustments	-	-	-	-	-	323,403 (11)	(184,813) (13)
Impact of goodwill impairment	-	-	-	-	-	203,206	-
Operating income adjusted for certain items (Non-GAAP)	$ 1,791,830	$ 2,009,248	$ 2,351,831	$ 2,548,334	$ 2,736,351	$ 1,711,995	$ 1,470,102

(1) Fiscal 2015 includes US Foods merger and integration planning and transaction costs

(2) Fiscal 2016 includes severance charges, professional fees on 3-year financial objectives, other restructuring costs and costs associated with our revised business technology strategy.

(3) Fiscal 2016 includes US Foods merger and integration planning and transaction costs, and Brakes Acquisition transaction costs.

(4) Fiscal 2017 includes $111 million in accelerated depreciation associated with our revised business technology strategy and $46 million related to professional fees on 3-year financial objectives, restructuring expenses within our Brakes operations, costs to convert to legacy systems in conjunction with our revised business technology strategy and severance charges related to restructuring.

(5) Fiscal 2017 includes $76 million related to intangible amortization expense from the Brakes Acquisition, which is included in the results of Brakes, and $24 million in transaction costs.

(6) Fiscal 2018 includes business technology transformation initiative costs, restructuring expenses within our Brakes operations, professional fees on three-year financial objectives, severance charges related to restructuring and costs to convert to legacy systems in conjunction with our revised business technology strategy.

(7) Fiscal 2018 includes $67 million related to intangible amortization expense from the Brakes Acquisition, which is included in the results of Brakes, $18 million in integration costs, and a $14 million write-off for an intangible asset due to restructuring in France.

(8) Fiscal 2019 includes $151 million related to various transformation initiative costs, primarily consisting of changes to our business technology strategy, of which $18 million relates to accelerated depreciation related to software that is being replaced, and $174 million related to severance, restructuring and integration charges in Europe, Canada and at the Global Support Center, of which $61 million relates to our France restructuring as part of our integration of Brake France and Davigel into Sysco France.

(9) Represents intangible amortization expense from the Brakes Acquisition, which is included in the results of International Foodservice.

(10) Fiscal 2020 includes $265 million related to severance, restructuring and integration charges and $106 million related to various transformation initiative costs, primarily consisting of changes to our business technology strategy.

(11) Fiscal 2020 represents excess bad debt charges recognized on the increase in past due receivables arising from the COVID-19 pandemic.

(12) Fiscal 2021 includes $72 million related to restructuring and severance charges and $56 million related to various transformation initiative costs, primarily consisting of changes to our business technology strategy.

(13) Fiscal 2021 represents the reduction of bad debt charges previously taken on pre-pandemic trade receivable balances in fiscal 2020.

(14) Fiscal 2021 represents $74 million of intangible amortization expense from the Brakes Acquisition, which is included in the results of International Foodservice, as well as $6 million of due diligence and integration costs related to Greco and Sons, which are included within Global Support Center expenses.

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Sysco Corporation and its Consolidated Subsidiaries
Non-GAAP Reconciliation (Unaudited)
Free Cash Flow, YTD23 vs. YTD22
(In Thousands)

Free cash flow represents net cash provided from operating activities less purchases of plant and equipment and includes proceeds from sales of plant and equipment. Sysco considers free cash flow to be a liquidity measure that provides useful information to management and investors about the amount of cash generated by the business after the purchases and sales of buildings, fleet, equipment and technology, which may potentially be used to pay for, among other things, strategic uses of cash including dividend payments, share repurchases and acquisitions. However, free cash flow may not be available for discretionary expenditures, as it may be necessary that we use it to make mandatory debt service or other payments. Free cash flow should not be used as a substitute for the most comparable GAAP financial measure in assessing the company's liquidity for the periods presented. An analysis of any non-GAAP financial measure should be used in conjunction with results presented in accordance with GAAP. In the table that follows, free cash flow for each period presented is reconciled to net cash provided by operating activities.

	52-Week Period Ended Jul. 1, 2023	52-Week Period Ended Jul. 2, 2022	Change in Dollars
Net cash provided by operating activities (GAAP)	$ 2,867,602	$ 1,791,286	$ 1,076,316
Additions to plant and equipment	(793,325)	(632,802)	(160,523)
Proceeds from sales of plant and equipment	42,147	24,144	18,003
Free Cash Flow (Non-GAAP)	$ 2,116,424	$ 1,182,628	$ 933,796

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)

EBITDA represents net earnings (loss) plus (i) interest expense, (ii) income tax expense and benefit, (iii) depreciation and (iv) amortization. The net earnings (loss) component of our EBITDA calculation is impacted by Certain Items that we do not consider representative of our underlying performance. As a result, in the non-GAAP reconciliations below for each period presented, adjusted EBITDA is computed as EBITDA plus the impact of Certain Items, excluding certain items related to interest expense, income taxes, depreciation and amortization. Sysco's management considers growth in this metric to be a measure of overall financial performance that provides useful information to management and investors about the profitability of the business, as it facilitates comparison of performance on a consistent basis from period to period by providing a measurement of recurring factors and trends affecting our business. Additionally, it is a commonly used component metric used to inform on capital structure decisions. Adjusted EBITDA should not be used as a substitute for the most comparable GAAP financial measure in assessing the company’s financial performance for the periods presented. An analysis of any non-GAAP financial measure should be used in conjunction with results presented in accordance with GAAP. In the tables that follow, adjusted EBITDA for each period presented is reconciled to net earnings.

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Sysco Corporation and its Consolidated Subsidiaries
Non-GAAP Reconciliation (Unaudited)
Impact of Certain Items on Earnings Before Interest, Taxes, Depreciation and Amortization (Q4 FY23 vs. Q4 FY22)
(In Thousands)

	13-Week Period Ended Jul. 1, 2023	13-Week Period Ended Jul. 2, 2022	Change in Dollars	%/bps Change
Net earnings (GAAP)	$ 733,736	$ 509,989	$ 223,747	43.9%
Interest (GAAP)	135,629	128,512	7,117	5.5%
Income taxes (GAAP)	224,204	131,890	92,314	70.0%
Depreciation and amortization (GAAP)	200,659	201,274	(615)	-0.3%
EBITDA (Non-GAAP)	$ 1,294,228	$ 971,665	$ 322,563	33.2%
Certain Item adjustments:				
Impact of inventory valuation adjustment (1)	-	43,673	(43,673)	NM
Impact of restructuring and transformational project costs (2)	23,819	36,998	(13,179)	-35.6%
Impact of acquisition-related costs (3)	1,448	4,479	(3,031)	-67.7%
Impact of bad debt reserve adjustments (4)	-	(8,783)	8,783	NM
Impact of other non-routine gains and losses	(120,867)	-	(120,867)	NM
EBITDA adjusted for Certain Items (Non-GAAP) (5)	$ 1,198,628	$ 1,048,032	$ 150,596	14.4%

(1) Fiscal 2022 represents a write-down of COVID-related personal protection equipment inventory due to the reduction in the net realizable value of inventory.

(2) Fiscal 2023 and fiscal 2022 include charges related to restructuring and severance, as well as various transformation initiative costs, primarily consisting of changes to our business technology strategy, excluding charges related to accelerated depreciation.

(3) Fiscal 2023 and fiscal 2022 include acquisition and due diligence costs.

(4) Fiscal 2022 represents the reduction of bad debt charges previously taken on pre-pandemic trade receivable balances in fiscal 2020.

(5) In arriving at adjusted EBITDA, Sysco does not adjust out interest income of $9 million and $2 million or non-cash stock compensation expense of $22 million and $32 million in fiscal 2023 and fiscal 2022, respectively.

NM represents that the percentage change is not meaningful.

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Sysco Corporation and its Consolidated Subsidiaries
Non-GAAP Reconciliation (Unaudited)
Impact of Certain Items on Earnings Before Interest, Taxes, Depreciation and Amortization (FY23 vs. FY22)
(In Thousands)

	52-Week Period Ended Jul. 1, 2023	52-Week Period Ended Jul. 2, 2022	Change in Dollars	%/bps Change
Net earnings (GAAP)	$ 1,770,124	$ 1,358,768	$ 411,356	30.3%
Interest (GAAP)	526,752	623,643	(96,891)	-15.5%
Income taxes (GAAP)	515,231	388,005	127,226	32.8%
Depreciation and amortization (GAAP)	775,604	772,881	2,723	0.4%
EBITDA (Non-GAAP)	$ 3,587,711	$ 3,143,297	$ 444,414	14.1%
Certain Item adjustments:				
Impact of inventory valuation adjustment (1)	(2,571)	73,224	(75,795)	NM
Impact of restructuring and transformational project costs (2)	61,009	106,091	(45,082)	-42.5%
Impact of acquisition-related costs (3)	10,393	32,738	(22,345)	-68.3%
Impact of bad debt reserve adjustments (4)	(4,425)	(27,999)	23,574	84.2%
Impact of non-routine gains and losses (5)	194,459	-	194,459	NM
EBITDA adjusted for Certain Items (Non-GAAP) (6)	$ 3,846,576	$ 3,327,351	$ 519,225	15.6%

(1) Fiscal 2023 represents an adjustment to a product return allowance, related to COVID-related personal protection equipment inventory. Fiscal 2022 represents a write-down of COVID-related personal protection equipment inventory due to the reduction in the net realizable value of inventory.

(2) Fiscal 2023 and fiscal 2022 include charges related to restructuring and severance, as well as various transformation initiative costs, primarily consisting of changes to our business technology strategy, excluding charges related to accelerated depreciation.

(3) Fiscal 2023 and fiscal 2022 include acquisition and due diligence costs.

(4) Fiscal 2023 and fiscal 2022 represent the reduction of bad debt charges previously taken on pre-pandemic trade receivable balances in fiscal 2020.

(5) Fiscal 2023 primarily includes a pension settlement charge of $315 million that resulted from the purchase of a nonparticipating single premium group annuity contract that transferred defined benefit plan obligations to an insurer and $122 million in income from a litigation financing agreement.

(6) In arriving at adjusted EBITDA, Sysco does not adjust out interest income of $24 million and $7 million or non-cash stock compensation expense of $95 million and $122 million for fiscal 2023 and fiscal 2022, respectively.

NM represents that the percentage change is not meaningful.

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Projected Adjusted EBITDA Guidance

Adjusted EBITDA is a non-GAAP financial measure; however, we cannot predict with certainty the particular certain items that would be excluded from the calculation of this measure for future periods. Due to these uncertainties, we cannot provide a quantitative reconciliation of this non-GAAP financial measure to the most directly comparable GAAP financial measure without unreasonable effort. However, we expect to calculate adjusted EBITDA for future periods in the same manner as the reconciliations provided for the historical periods herein.

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Sysco Corporation and its Consolidated Subsidiaries
Non-GAAP Reconciliation (Unaudited)
Net Debt to Adjusted EBIDTA
(In Thousands)

Net Debt to Adjusted EBITDA is a non-GAAP financial measure frequently used by investors and credit rating agencies. Our Net Debt to Adjusted EBITDA ratio is calculated using a numerator of our debt minus cash and cash equivalents, divided by the sum of the most recent four quarters of Adjusted EBITDA. In the table that follows, we have provided the calculation of our debt and net debt as a ratio of Adjusted EBITDA.

	July 1, 2023	July 2, 2022	July 3, 2021
Current Maturities of long-term debt	$ 62,550	$ 580,611	$ 494,923
Long-term debt	10,347,997	10,066,931	10,588,184
Total Debt	10,410,547	10,647,542	11,083,107
Cash & Cash Equivalents	(745,201)	(867,086)	(3,007,123)
Net Debt	$ 9,665,346	$ 9,780,456	$ 8,075,984
Adjusted EBITDA for the previous 12 months	$ 3,846,576	$ 3,327,350	$ 2,154,985
Debt/Adjusted EBITDA Ratio	2.7	3.2	5.1
Net Debt/Adjusted EBITDA Ratio	2.5	2.9	3.7

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Net Debt to Adjusted EBITDA Leverage Ratio Targets

We expect to achieve our net debt to adjusted EBITDA leverage ratio forecast in fiscal 2024. We cannot predict with certainty when we will achieve these results or whether the calculation of our EBITDA will be on an adjusted basis in future periods to exclude the effect of certain items. Due to these uncertainties, we cannot provide a quantitative reconciliation of these potentially non-GAAP measures to the most directly comparable GAAP measure without unreasonable effort. However, we expect to calculate these adjusted results, if applicable, in the same manner as the reconciliations provided for the historical periods that are presented herein.

Form of calculation:
Current maturities of long-term debt
Long term debt
Total Debt (GAAP)
Less cash and cash equivalents
Net Debt

Net earnings (GAAP)
Interest (GAAP)
Income taxes (GAAP)
Depreciation and amortization (GAAP)
EBITDA (Non-GAAP)
Certain Item adjustments:
  Impact of restructuring and transformational project costs
  Impact of acquisition-related intangible amortization
  Impact of bad debt reserve adjustments
EBITDA adjusted for Certain Items (Non-GAAP)

Net Debt to Adjusted EBITDA Ratio