



# SpartanNash<sup>®</sup>

**First Quarter 2024 Supplemental Financial Information**

May 30, 2024



# General Disclaimer



## Forward-Looking Statements

The matters discussed in this presentation, in the Company's press releases, and in the Company's website-accessible conference calls with analysts include "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended ("Exchange Act"), about the plans, strategies, objectives, goals or expectations of the Company. These forward-looking statements may be identifiable by words or phrases indicating that the Company or management "expects," "projects," "anticipates," "plans," "believes," "intends," or "estimates," or that a particular occurrence or event "may," "could," "should," "will" or "will likely" result, occur or be pursued or "continue" in the future, that the "outlook," "trend," "guidance" or "target" is toward a particular result or occurrence, that a development is an "opportunity," "priority," "strategy," "focus," that the Company is "positioned" for a particular result, or similarly stated expectations. Undue reliance should not be placed on these forward-looking statements, which speak only as of the date made. Forward-looking statements are necessarily based on estimates and assumptions that are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which, with respect to future business decisions, are subject to change. These uncertainties and contingencies may affect actual results and could cause actual results to differ materially. These risks and uncertainties include the Company's ability to compete in an extremely competitive industry; the Company's dependence on certain major customers; the Company's ability to implement its growth strategy and transformation initiatives; the Company's ability to implement its growth strategy through acquisitions and successfully integrate acquired businesses; disruptions to the Company's information security network, including security breaches and cyber-attacks; impacts to the availability and performance of the Company's information technology systems; changes in relationships with the Company's vendor base; changes in product availability and product pricing from vendors; macroeconomic uncertainty, including rising inflation, potential economic recession, and increasing interest rates; difficulty attracting and retaining well-qualified Associates and effectively managing increased labor costs; failure to successfully retain or manage transitions with executive leaders and other key personnel; impacts to the Company's business and reputation due to an increasing focus on environmental, social and governance matters; customers to whom the Company extends credit or for whom the Company guarantees loans may fail to repay the Company; changes in the geopolitical conditions; disruptions associated with severe weather conditions and natural disasters, including effects from climate change; disruptions associated with disease outbreaks; the Company's ability to manage its private brand program for U.S. military commissaries, including the termination of the program or not achieving the desired results; impairment charges for goodwill or other long-lived assets; the Company's level of indebtedness; interest rate fluctuations; the Company's ability to service its debt and to comply with debt covenants; changes in government regulations; labor relations issues; changes in the military commissary system, including its supply chain, or in the level of governmental funding; product recalls and other product-related safety concerns; cost increases related to multi-employer pension plans; and other risks and uncertainties listed under "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's most recent Annual Report on Form 10-K and in subsequent filings with the Securities and Exchange Commission. Additional risks and uncertainties not currently known to the Company or that the Company currently believes are immaterial also may impair its business, operations, liquidity, financial condition and prospects. The Company undertakes no obligation to update or revise its forward-looking statements to reflect developments that occur or information obtained after the date of this presentation.

## Non-GAAP Financial Measures

This presentation includes information regarding adjusted earnings before interest, taxes, depreciation and amortization ("adjusted EBITDA"). Adjusted EBITDA is a non-GAAP operating financial measure that the Company defines as net earnings plus interest, discontinued operations, depreciation and amortization, and other non-cash items including share-based payments (equity awards measured in accordance with ASC 718, Stock Compensation, which include both stock-based compensation to employees and stock warrants issued to non-employees) and the LIFO provision, as well as adjustments for items that do not reflect the ongoing operating activities of the Company. Adjusted EBITDA is not a measure of performance under accounting principles generally accepted in the United States of America and should not be considered as a substitute for net earnings and other income or cash flow statement data. The Company's definition of adjusted EBITDA may not be identical to similarly titled measures reported by other companies. Adjusted EBITDA is a non-GAAP financial measure used by management to allocate resources, assess performance against its peers and evaluate overall performance. The Company believes adjusted EBITDA provides useful information for both management and its investors. The Company believes adjusted EBITDA is useful to investors because it provides additional understanding of the trends and special circumstances that affect its business. Adjusted EBITDA provides useful supplemental information that helps investors to establish a basis for expected performance and the ability to evaluate actual results against that expectation. This measure, when considered in connection with GAAP results, can be used to assess the overall performance of the Company as well as assess the Company's performance against its peers. Adjusted EBITDA is also used as a basis for certain compensation programs sponsored by the Company. In addition, securities analysts, fund managers and other shareholders and stakeholders that communicate with the Company request its financial results in this adjusted format.

The Company is unable to provide a full reconciliation of the projected GAAP to non-GAAP measures for fiscal 2024 or fiscal 2025 used in this presentation without unreasonable effort because it is not possible to predict certain adjustment items with a reasonable degree of certainty since they are not yet known or quantifiable, and do not relate to the Company's routine activities. These adjustments may include, among other items, restructuring and asset impairment activity, acquisition and integration costs, severance, costs related to the postretirement plan amendment and settlement, and organizational realignment costs, and the impact of adjustments to the LIFO inventory reserve. This information is dependent upon future events, which may be outside of the Company's control and could have a significant impact on its GAAP financial results for fiscal 2024 or fiscal 2025, respectively.



## A Complementary Intersection Between Two Highly Synergistic Segments

### WHOLESALE

**\$6.9B**  
FY23 Net Sales



**\$125B**  
Addressable Market<sup>(1)</sup>



### RETAIL

**\$2.8B**  
FY23 Net Sales



**\$20B**  
Addressable Market<sup>(1)</sup>



### Creating Food Solutions

with Market-Leading Capabilities Through Data and Insights

### Optimized Network

with Coast-to-Coast Capabilities & a Best-In-Class Export Business

**17+%**

Projected Increase in Net Sales  
FY21 - FY25E to  
**\$10.5bn+**

### Serving

Independent Grocers  
Large National Accounts  
U.S. Military Commissaries  
SPTN Stores & Fuel Centers  
E-Commerce Shoppers

### Significant Value

Being Generated through Turnaround Plan

**40+%**

Projected Increase in Adj. EBITDA  
FY21 - FY25E to  
**\$300mm+**<sup>(2)</sup>

## Committed to Shareholder Value Creation

(1) Refer to the Key Performance Indicator Definitions in the Appendix.

(2) Inclusive of transformational programs and tuck-in acquisitions.

# First Quarter 2024 Highlights



**\$2.81 Billion**

Net Sales  
-3.5% vs. Q1'23

**\$10.7 Million**

Returned to  
Shareholders<sup>(1)</sup> YTD

**\$13.0 Million**

Net Earnings  
+14.4% vs. Q1'23

**+7 bps**

Net Margin vs. Q1'23

**\$74.9 Million**

Adjusted EBITDA<sup>(2)</sup>  
-2.4% vs. Q1'23

**+3 bps**

Adjusted EBITDA Margin<sup>(2)</sup>  
vs. Q1'23



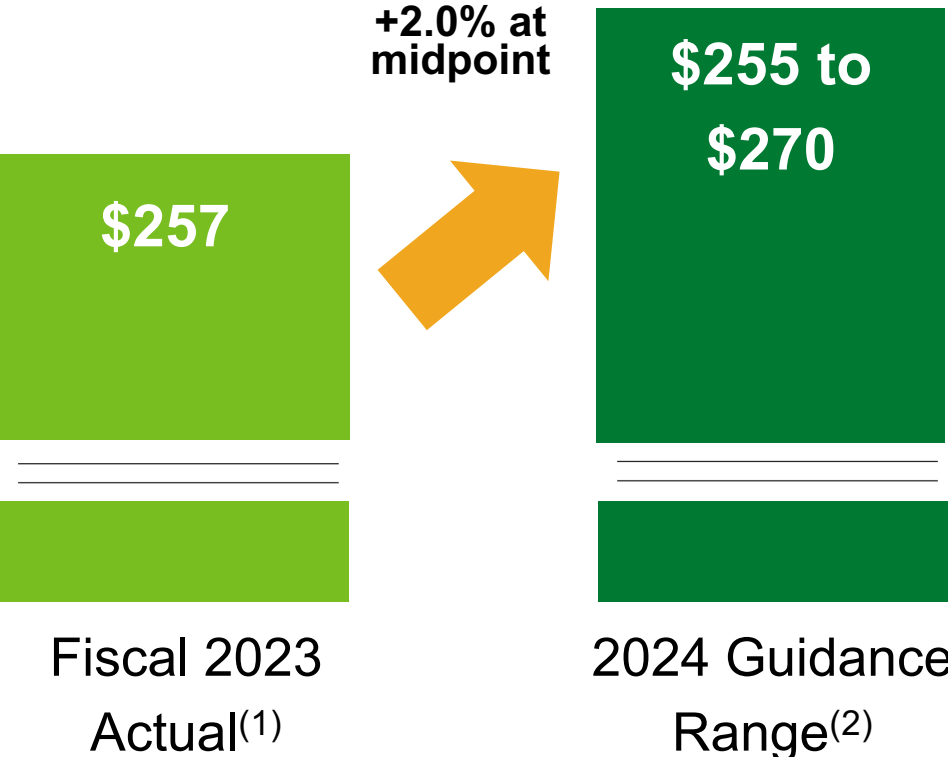
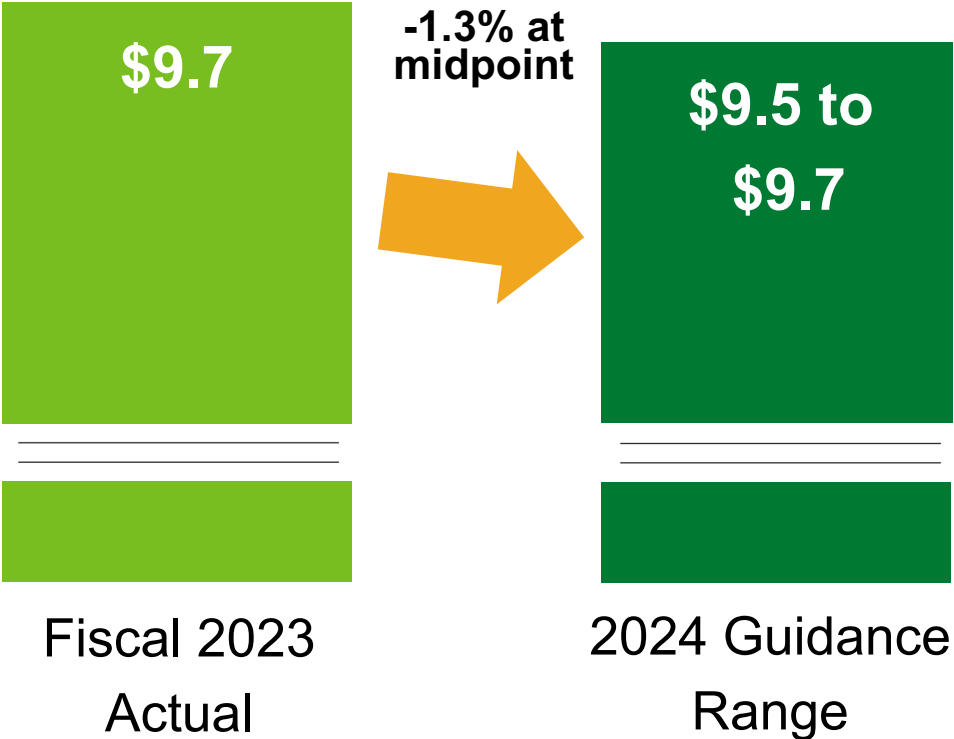
- (1) Through \$2.6 million in share repurchases and \$8.1 million in dividends.  
(2) A reconciliation of net earnings to adjusted EBITDA, a non-GAAP financial measure, and calculation of adjusted EBITDA margin is provided in the Appendix.

# Fiscal Year 2024 Guidance



## Net Sales in Billions

## Adjusted EBITDA in Millions



(1) A reconciliation of net earnings to adjusted EBITDA, a non-GAAP financial measure, is provided in the Appendix.  
(2) Inclusive of transformational programs and tuck-in acquisitions.



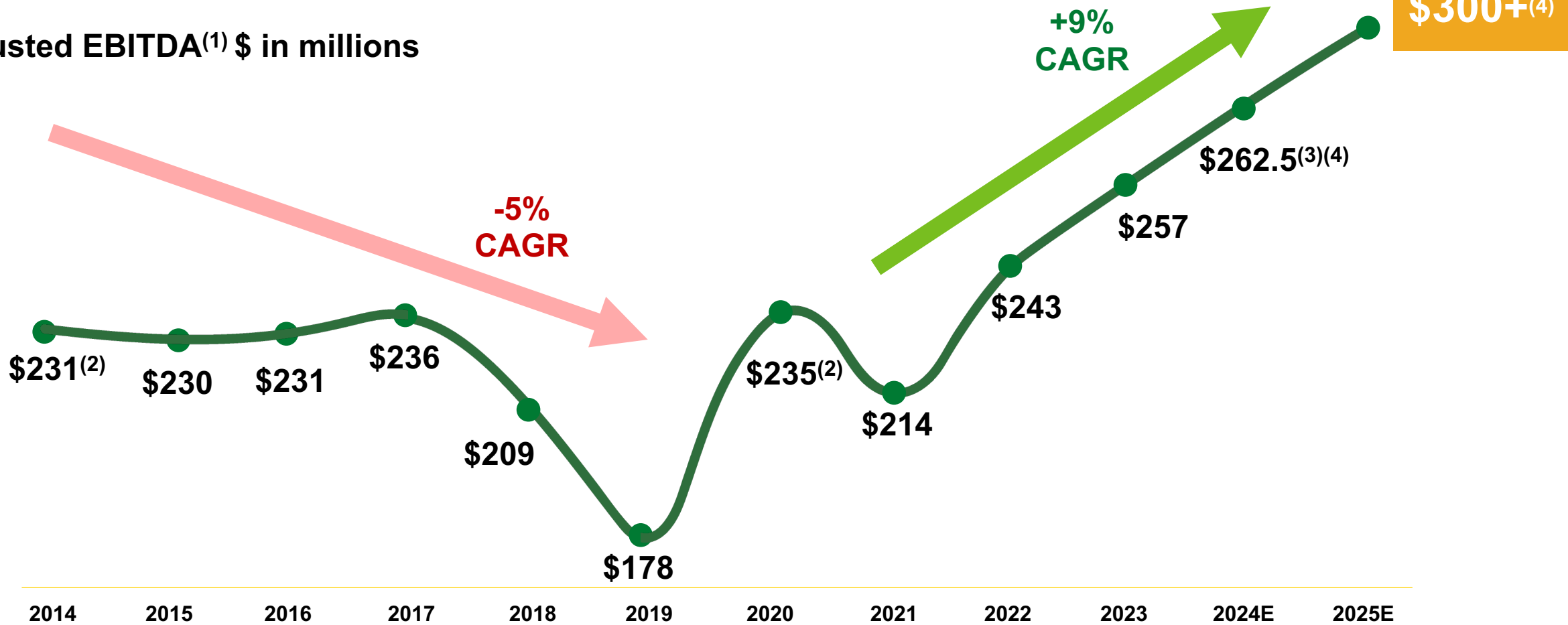
# Progress on Long-Term Plan



# Turnaround Plan is Driving Results

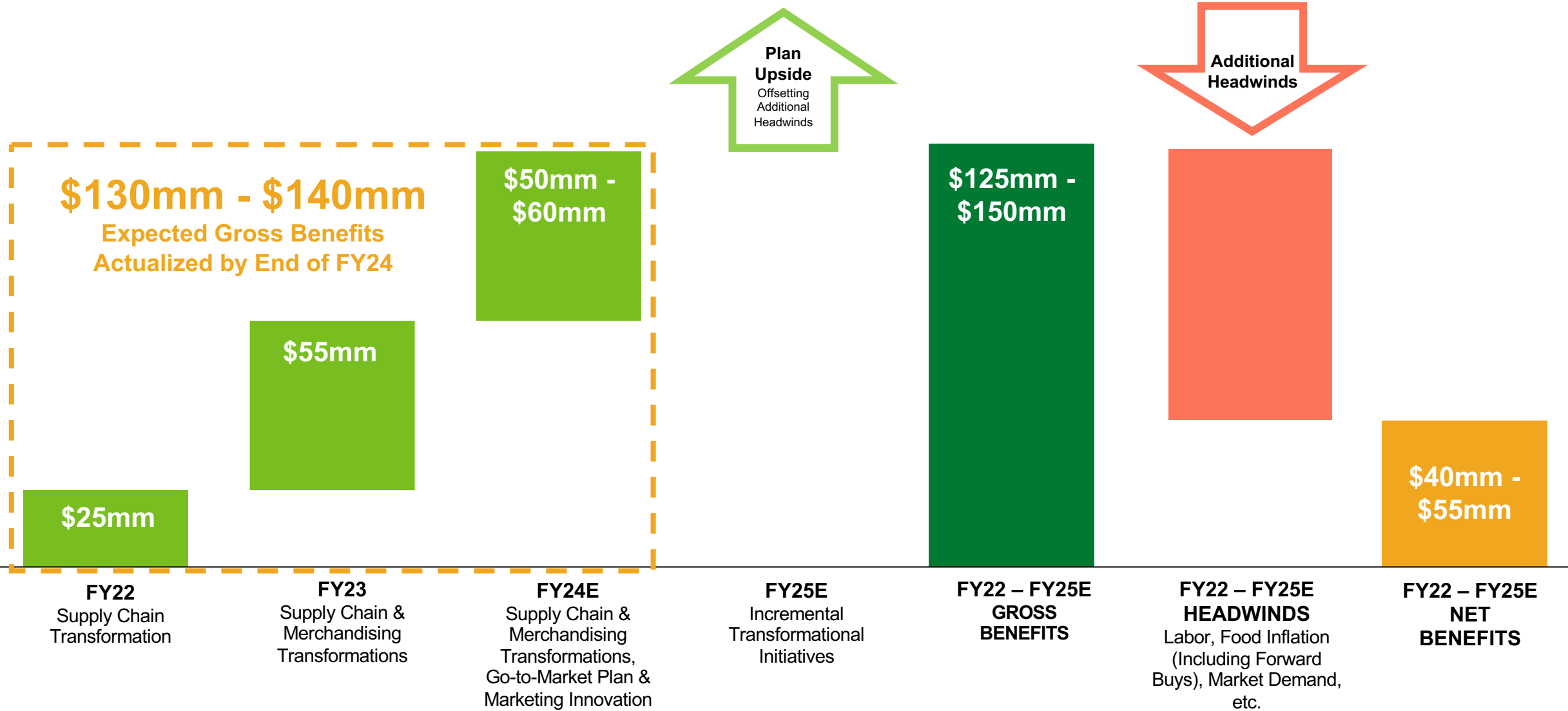


Adjusted EBITDA<sup>(1)</sup> \$ in millions



- (1) See the Appendix for reconciliations of fiscal 2014 to 2023 non-GAAP measures to their most directly comparable GAAP measures.
- (2) Excludes the impact of the 53<sup>rd</sup> week.
- (3) Midpoint of fiscal 2024 guidance range.
- (4) Inclusive of transformational programs and tuck-in acquisitions.

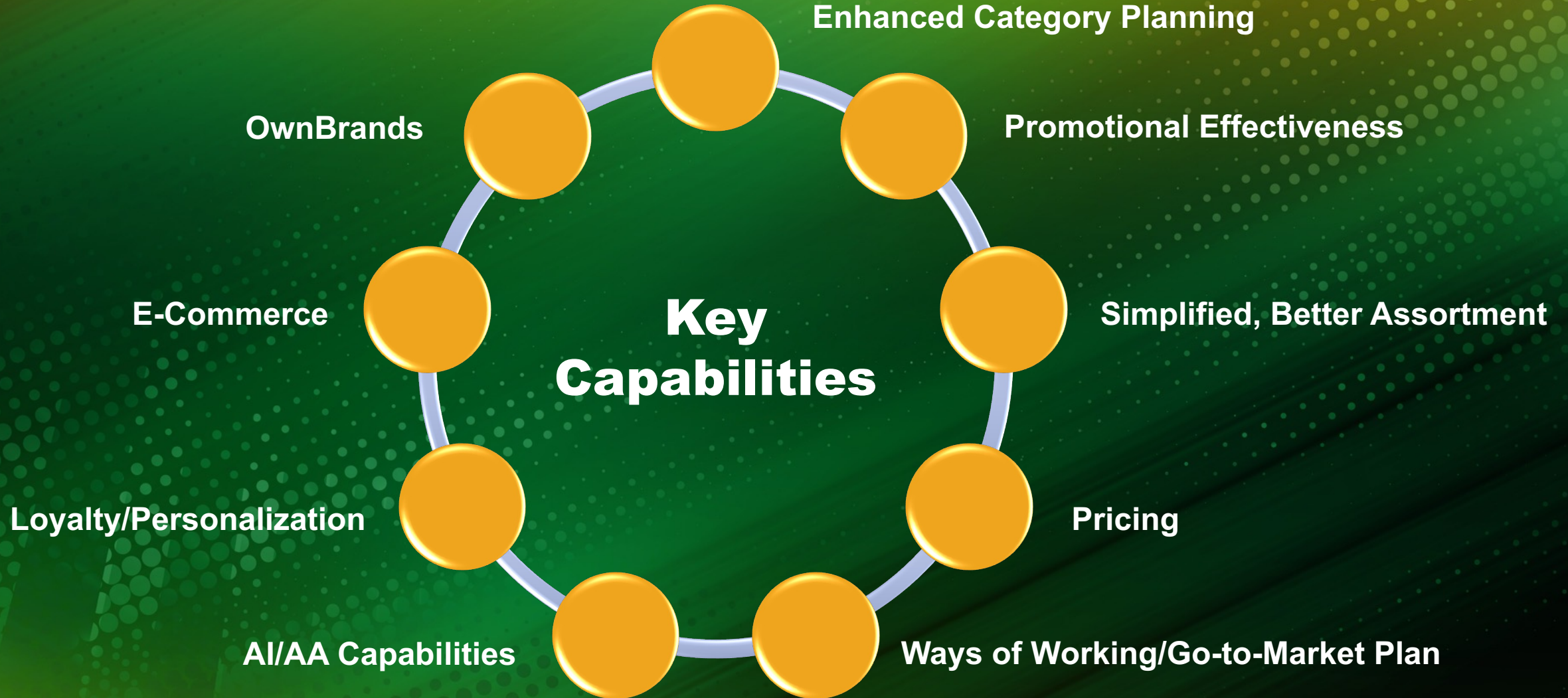
# Delivering on Strategic Commitments<sup>(1)</sup>



(1) The expected benefits and headwinds included in the long-term plan are based on current projections. Refer to the Key Performance Indicator Definitions in the Appendix.



# Accelerating Capabilities in Marketing and Merchandising

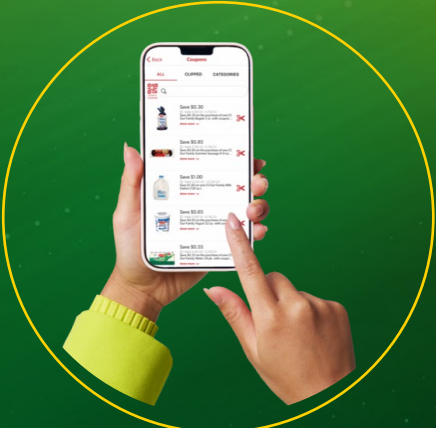




# Enhancing Shopper Experience, Driven by Insights



**Creating Engaging Digital Experiences**



**Partnering with Brands on Digital Promotions**



**Broadening Local Partnerships**



**Personalized Value through Loyalty Offerings**



**Differentiated OwnBrands Portfolio**



**Amplifying Convenience & Indulgence**

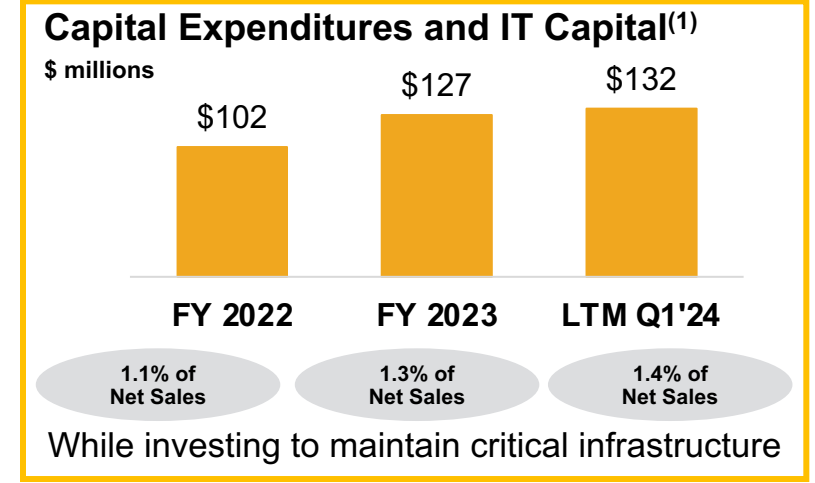
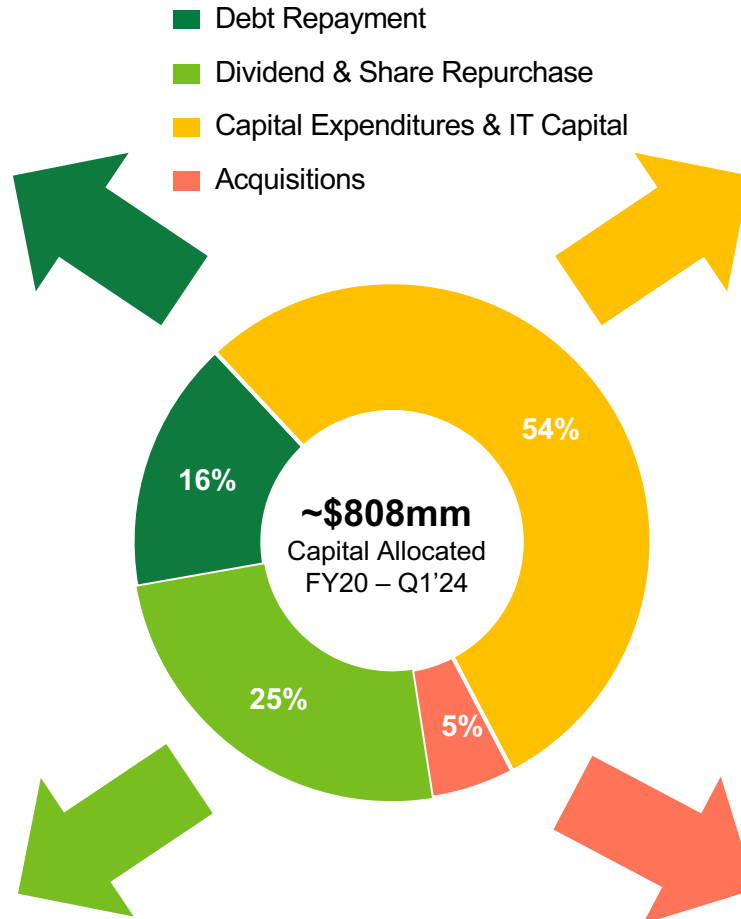
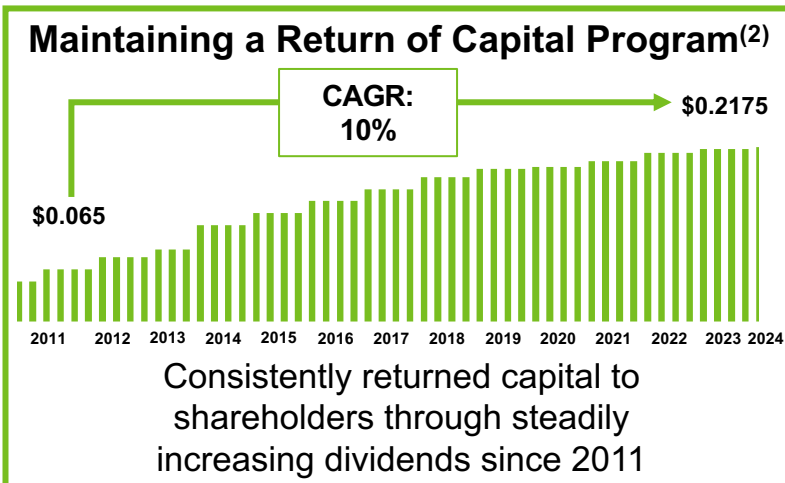
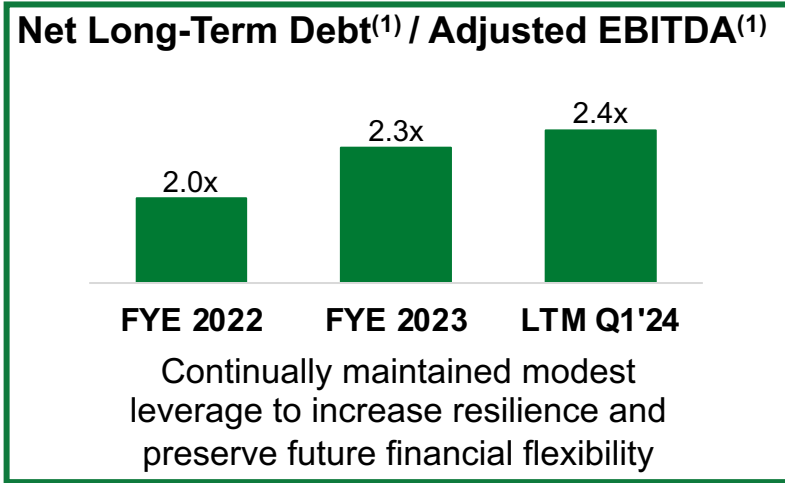


# Appendix





# Balanced Approach to Capital Allocation



(1) See the Appendix for reconciliations of non-GAAP measures to their most directly comparable GAAP measures.

(2) The Company transitioned its FYE during 2013 and the 39 weeks ended December 2013 is known as 'Transition Fiscal Year 2013'.

# Key Performance Indicator Definitions



**90-Day New Hire Retention Rate:** New hires who remain employed after 90 days from their respective start dates divided by the total new hires.

**Merchandising Transformation Benefits:** Gross benefits (before consideration of macroeconomic headwinds) generated from individual projects executed by the Company in connection with the overall initiative. The gross benefits exclude the additional benefits flowing through to Wholesale customers and Retail shoppers.

**Supply Chain Transformation Cost Savings:** Gross cost savings (before consideration of macroeconomic headwinds) generated from individual projects executed by the Company in connection with the overall initiative.

**Fill Rate:** Percentage of customer order quantities filled (cases shipped divided by cases ordered by the customer). This metric is not adjusted for vendor product availability.

**Cost per Case:** Supply Chain costs incurred for each case shipped (total Supply Chain costs divided by cases shipped).

**Throughput Rate:** Case volume shipped per labor hour utilized (cases shipped divided by warehouse labor hours worked, excluding salaried hours). Management uses the throughput rate as a means of evaluating warehouse efficiency.

**Retail Market Share (\$):** Total Retail segment sales divided by the total addressable Retail market. The total addressable Retail market is determined based on first-party research around the footprints of each Retail store, validated with NielsenIQ market data and the U.S. Bureau of Labor food expenditures.

**Wholesale Market Share (\$):** Total Wholesale segment sales divided by the total addressable Wholesale market. The total addressable Wholesale market was disclosed at the 2022 Investor Day on November 2, 2022, and is determined based on internal estimates and Nielsen TDLinx data of Wholesale demand within 250 miles of existing warehouses.

# Net Earnings to Adjusted EBITDA Reconciliation with Calculation of Adjusted EBITDA Margin



<u>(In thousands, except percentages)</u>	16 Weeks Ended	
	April 20, 2024	April 22, 2023
Net sales	\$ 2,806,263	\$ 2,907,394
Net earnings	\$ 12,971	\$ 11,337
Income tax expense	5,206	2,426
Other expenses, net	12,439	10,550
Operating earnings	30,616	24,313
Adjustments:		
LIFO expense	2,020	11,172
Depreciation and amortization	30,646	29,745
Acquisition and integration, net	327	74
Restructuring and asset impairment, net	5,768	4,083
Cloud computing amortization	2,018	1,350
Organizational realignment, net	306	—
Severance associated with cost reduction initiatives	69	284
Stock-based compensation	3,720	5,147
Stock warrant	326	607
Non-cash rent	(901)	(928)
(Gain) loss on disposal of assets	(20)	22
Legal settlement	—	900
Adjusted EBITDA	\$ 74,895	\$ 76,769
Adjusted EBITDA margin	2.67%	2.64%



# Net Earnings (Loss) to Adjusted EBITDA Reconciliation



	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
(In thousands)	(53 weeks)	(52 weeks)	(52 weeks)	(52 weeks)	(52 weeks)	(52 weeks)	(53 weeks)	(52 weeks)	(52 weeks)	(52 weeks)
Net earnings (loss)	\$ 58,596	\$ 62,710	\$ 56,828	\$ (52,845)	\$ 33,572	\$ 5,742	\$ 75,914	\$ 73,751	\$ 34,518	\$ 52,237
Loss from discontinued operations, net of tax	524	456	228	228	219	175	—	—	—	—
Income tax expense (benefit)	31,329	37,093	32,907	(79,027)	6,907	(2,342)	9,450	24,906	12,397	17,888
Other expenses, net	24,397	22,616	18,804	24,969	29,814	53,367	17,042	13,543	21,629	36,587
Operating earnings (loss)	114,846	122,875	108,767	(106,675)	70,512	56,942	102,406	112,200	68,544	106,712
Adjustments:										
LIFO expense (benefit)	5,604	(1,201)	(1,919)	2,898	4,601	5,892	2,176	18,652	56,823	16,104
Depreciation and amortization	86,994	83,334	77,246	82,243	82,634	87,866	89,504	92,711	94,180	98,639
Merger/acquisition and integration, net	12,675	8,433	6,959	8,101	4,937	1,437	421	708	343	3,416
Restructuring and asset impairment, net	6,166	8,802	32,116	228,459	37,546	13,050	24,398	2,886	805	9,190
Cloud computing amortization	—	—	—	—	—	—	297	2,140	3,650	5,034
Costs associated with Project One Team	—	—	—	—	—	5,428	493	—	—	—
Organizational realignment, net	—	—	—	—	—	1,812	455	589	1,859	5,239
Severance associated with cost reduction initiatives	—	—	—	—	—	—	5,154	423	831	318
Stock-based compensation	6,939	7,240	7,936	9,611	7,646	7,313	6,265	6,975	8,589	12,536
Stock warrant	—	—	—	—	—	—	6,549	1,958	2,158	1,559
Non-cash rent	—	—	—	(722)	(962)	(5,622)	(4,733)	(4,059)	(3,444)	(2,599)
Fresh Cut operating losses	—	—	—	—	—	—	2,262	—	—	—
Fresh Kitchen start-up costs	—	—	—	8,082	1,366	—	—	—	—	—
Loss (gain) on disposal of assets	—	—	—	—	—	—	3,330	(106)	1,073	259
Fresh Kitchen operating losses	—	—	—	—	—	2,894	—	—	—	—
Legal settlement	—	—	—	—	—	—	—	—	—	900
Postretirement plan amendment and settlement	—	—	—	—	—	—	—	—	133	94
Costs related to shareholder activism	—	—	—	—	—	—	—	—	7,335	—
Expenses associated with tax planning strategies	900	569	—	3,798	225	—	82	—	—	—
Paid time off transition adjustment	—	—	—	—	—	—	—	(21,371)	—	—
Pension settlement charges	1,578	—	—	—	—	—	—	—	—	—
Other non-cash (gains) charges	(1,260)	(530)	(148)	207	916	933	—	—	—	—
Adjusted EBITDA	234,442	229,522	230,957	236,002	209,421	177,945	239,059	213,706	242,879	257,401
53rd week	(3,673)	—	—	—	—	—	(4,246)	—	—	—
Adjusted EBITDA, excluding 53rd week	\$ 230,769	\$ 229,522	\$ 230,957	\$ 236,002	\$ 209,421	\$ 177,945	\$ 234,813	\$ 213,706	\$ 242,879	\$ 257,401

# Long-Term Debt and Finance Lease Obligations to Net Long-Term Debt Reconciliation



<u>(In thousands)</u>	FY2022	FY2023	Q1 FY2024
	December 31, 2022	December 30, 2023	April 20, 2024
Current portion of long-term debt and finance lease liabilities	\$ 6,789	\$ 8,813	\$ 9,724
Long-term debt and finance lease liabilities	496,792	588,667	613,864
Total debt	503,581	597,480	623,588
Cash and cash equivalents	(29,086)	(17,964)	(18,968)
Net long-term debt	\$ 474,495	\$ 579,516	\$ 604,620

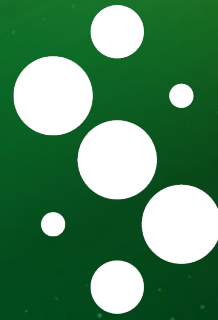
# Purchases of Property and Equipment to Capital Expenditures and IT Capital Reconciliation



<u>(In thousands)</u>	FY2022	FY2023
Purchases of property and equipment	\$ 97,280	\$ 120,330
Plus:		
Cloud computing spend	4,817	7,040
Capital expenditures and IT capital	<u>\$ 102,097</u>	<u>\$ 127,370</u>

<u>(In thousands)</u>	FY2023 (52 weeks)	-	Q1'23 YTD (16 weeks)	+	Q1'24 YTD (16 weeks)	=	LTM Q1'24 (52 weeks)
Purchases of property and equipment	\$ 120,330		\$ 38,864		\$ 40,163		\$ 121,629
Plus:							
Cloud computing spend	7,040		942		3,898		9,996
Capital expenditures and IT capital	<u>\$ 127,370</u>		<u>\$ 39,806</u>		<u>\$ 44,061</u>		<u>\$ 131,625</u>





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