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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date Earliest Event reported):
November 2, 2022

Grocery Outlet Holding Corp.
(Exact name of registrant as specified in its charter)

Delaware	**001-38950**	**47-1874201**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)
5650 Hollis Street, Emeryville, California		**94608**
(Address of principal executive offices)		(Zip Code)

(510) 845-1999
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common stock, par value $0.001 per share	GO	Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02 Results of Operations and Financial Condition.

On November 8, 2022, Grocery Outlet Holding Corp. (the "Company") announced its financial results for the fiscal quarter ended October 1, 2022. The full text of the press release issued by the Company is furnished as Exhibit 99.1 to this report.

The information in Item 2.02 of this current report on Form 8-K (including Exhibit 99.1 furnished herewith) shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended (the "Securities Act"), or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Eric J. Lindberg, Jr. - Retirement as CEO; Continuation of Board Service

On November 2, 2022, Eric J. Lindberg, Jr. provided notice to the Company's board of directors (the "Board") of his decision, effective December 31, 2022, to retire as Chief Executive Officer of the Company. Mr. Lindberg will continue to serve as a Class III member of the Board, and as of January 1, 2023, will be a non-independent, non-employee director in accordance with Nasdaq rules.

The Board thereafter determined that Mr. Lindberg will remain eligible to receive an annual incentive bonus pursuant to the Company's annual incentive plan for fiscal 2022 as a result of his service to the Company through the entire fiscal year. Mr. Lindberg's rights with respect to any Company equity awards will be governed by the terms and provisions of the applicable plans and award agreements, which provide for, among other things, the continued vesting of all equity so long as he continues to provide services to the Company, including as a non-employee director.

Beginning January 1, 2023, Mr. Lindberg will be compensated in the same manner as the other non-employee directors of the Board pursuant to the Company's Non-Employee Director Compensation Policy, as in effect from time to time. A copy of the Non-Employee Director Compensation Policy, as amended and restated as described under Item 8.01 of this current report on Form 8-K, is filed as Exhibit 10.2 hereto and is incorporated herein by reference.

Robert Joseph Sheedy, Jr. - Appointment as President and CEO, and Director; Execution of Employment Agreement

On November 2, 2022, the Board appointed Robert Joseph Sheedy, Jr. as President and Chief Executive Officer of the Company, effective January 1, 2023. Mr. Sheedy, age 47, has served as President of the Company since January 2019. He previously served as the Company's Chief Merchandise, Marketing & Strategy Officer from April 2017 to December 2018, the Company's Chief Merchandise & Strategy Officer from March 2014 to April 2017, and the Company's Vice President, Strategy from April 2012 to February 2014.

On November 2, 2022 and in connection with such appointment, Mr. Sheedy entered into an Employment Agreement, effective January 1, 2023, with Grocery Outlet Inc. and the Company (the "Employment Agreement"). The Employment Agreement provides that Mr. Sheedy will receive an annual base salary of $925,000, is eligible for an annual incentive bonus with a target of 125% of base salary, and is eligible to participate in the Company's equity incentive plan with a target equity award value of 432% of base salary for 2023. Except as provided in the Employment Agreement and summarized below, Mr. Sheedy's participation in the annual incentive plan and equity incentive plan, as well as the receipt of other rights and benefits, will be generally consistent with participation of other Company executive officers. The Employment Agreement does not provide for a fixed duration and Mr. Sheedy will be an at-will employee of the Company, although he will be eligible for specified severance benefits upon certain terminations of employment, subject to his execution of a general release of claims for the benefit of the Company that becomes irrevocable. In the event of a termination of employment of Mr. Sheedy without Cause or resignation for Good Reason (as defined in the Employment Agreement), he is entitled to (i) accrued base salary and benefits, (ii) continued payment of his base salary in equal installments in accordance with the Company's regular payroll practices for a period of 24 months; (iii) an amount equal to two times his target bonus for the year in which the termination date occurs, payable in equal installments for a period of 24 months; (iv) payment for up to 18 months of medical and dental benefits; (v) any unpaid bonus in respect of any fiscal year completed prior to the date of termination; (vi) subject to the satisfaction of applicable performance objectives, payment of a pro-rated bonus with respect to the fiscal year of termination; and (vii) pro-rated vesting of any outstanding time-based restricted stock units or stock options, calculated, in each case, as of the date of termination ("Pro Rata Vesting Rights"). Further, if Mr. Sheedy's employment is terminated by reason of his death or Disability (as defined in the Employment Agreement), he will be entitled to (i) Pro Rata Vesting Rights; (ii) accrued base salary and benefits (iii) a lump sum amount equal to his pro rata target annual bonus for the year in which the termination occurs, and (iv) any unpaid bonus in respect of any fiscal year completed prior to the date of termination. Upon the effectiveness of such agreement, Mr. Sheedy will no longer participate in the Company's Executive Severance Plan. In consideration for the benefits provided to Mr. Sheedy, the Employment Agreement contains non-competition covenants during the term of the agreement as well as confidentiality and non-solicitation covenants.

The Employment Agreement also provides that Mr. Sheedy will serve as a Board member at all times he serves as the Company's Chief Executive Officer. In accordance with such agreement, on November 2, 2022, the Board approved an increase in the size of the Board by one director to 11 directors in aggregate and appointed Mr. Sheedy as a Class III member of the Board, effective January 1, 2023, to hold office until the 2025 annual meeting of stockholders and until a successor has been duly elected and qualified, or until his earlier resignation, retirement or other termination of service. Mr. Sheedy is not independent in accordance with Nasdaq rules due to his employment with the Company and will not serve on any of the standing committees of the Board. As an employee of the Company, Mr. Sheedy will not receive additional compensation for his service on the Board. In connection with his service as a director and continuing service as an executive officer, Mr. Sheedy will continue to be party to the Company's customary indemnification agreement for the benefit of all Board directors and executive officers of the Company. There are no arrangements or understandings between Mr. Sheedy and any other person pursuant to which he was selected as a director. Mr. Sheedy has no family relationships with any director or executive officer of the Company, and there are no transactions in which Mr. Sheedy has a material interest requiring disclosure under Item 404(a) of Regulation S-K.

The foregoing summary of the Employment Agreement does not purport to be complete and is qualified in its entirety by reference to the Employment Agreement, a copy of which is filed as Exhibit 10.1 hereto and is incorporated herein by reference.

Item 7.01 Regulation FD Disclosure.

On November 8, 2022, the Company issued a press release announcing the Board and executive leadership matters disclosed in this report. A copy of the press release is attached to this report as Exhibit 99.2 and is incorporated herein by reference.

The information in Item 7.01 of this current report on Form 8-K (including Exhibit 99.2 furnished herewith) shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 8.01 Other Events.

Additional Board Matters – Leadership and Compensation

In connection with the foregoing matters, effective January 1, 2023, the Board (i) appointed Mr. Lindberg as the Chairman of the Board, (ii) appointed Mr. Erik D. Ragatz, the current Chairman of the Board, as the Lead Independent Director of the Board due to Mr. Lindberg, a non-independent director, serving as Chairman of the Board and pursuant to the Company's Amended and Restated Corporate Governance Guidelines, and (iii) amended the Company's Non-Employee Director Compensation Policy to provide for an annual cash retainer of $50,000 for the Lead Independent Director of the Board and an annual cash retainer of $150,000 for the Chairman of the Board. A copy of the Non-Employee Director Compensation Policy, as amended and restated, is filed as Exhibit 10.2 hereto and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) *Exhibits.*

Exhibit No.	Description
10.1*	Employment Agreement, effective January 1, 2023, by and among Robert Joseph Sheedy, Jr., Grocery Outlet Inc. and Grocery Outlet Holding Corp.
10.2*	Non-Employee Director Compensation Policy, effective January 1, 2023.
99.1	Press release, dated November 8, 2022, entitled "Grocery Outlet Holding Corp. Announces Third Quarter Fiscal 2022 Financial Results".
99.2	Press release, dated November 8, 2022, announcing Board and executive leadership changes.
104	Cover Page Interactive Data File - the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.

* Management contract or compensatory plan or arrangement.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed by the undersigned hereunto duly authorized.

		Grocery Outlet Holding Corp.	
Date:	November 8, 2022	By:	/s/ Luke D. Thompson
		Name:	Luke D. Thompson
		Title:	Senior Vice President, General Counsel and Secretary

GROCERY OUTLET HOLDING CORP.
GROCERY OUTLET INC.

EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") is entered into as of November 2, 2022 to become effective on January 1, 2023 (the "Effective Date"), by and among Robert Joseph Sheedy, Jr. ("Executive"), the Company and Parent.

Whereas, the Company desires to continue to employ Executive to provide personal services to the Company, and wishes to provide Executive with certain compensation and benefits in return for Executive's services;

Whereas, Executive wishes to continue to be employed by the Company and provide personal services to the Company in return for certain compensation and benefits; and

Now, Therefore, in consideration of the mutual promises and covenants contained herein, it is hereby agreed by and between the parties hereto as follows:

ARTICLE I
DEFINITIONS

For purposes of the Agreement, the following terms are defined as follows:

1.1 **"Board"** means the Board of Directors of Parent.

1.2 **"Cause"** means: (a) Executive's willful and continued breach of this Agreement or failure to perform his duties to the Company or its successor after a written demand for substantial performance is delivered to him by the Company or its successor which demand specifically identifies the manner in which the Company or its successor believe that he has not substantially performed his duties; (b) his conviction of or plea of guilty or *nolo contendere* to felony criminal conduct; or (c) his material breach of Article V, Article VI or Article VII of this Agreement that is not cured within 30 days after Executive is provided written notice of his breach by the Company.

No act or failure to act by Executive shall be deemed "willful" if done, or omitted to be done, by Executive in good faith and with the reasonable belief that Executive's action or omission was in the best interest of the Company.

1.3 **"Company"** means Grocery Outlet Inc. together with its successors or assigns.

1.4 **"Date of Termination"** shall mean (i) if the Executive's employment is terminated by his death, the date of his death; (ii) if the Executive's employment is terminated due to his Disability, the date determined pursuant to Section 4.1(a)(ii); or (iii) if the Executive's employment is terminated pursuant to Section 4.1(a)(iii)-(vi) either the date indicated in the Notice of Termination or the date specified by the Company pursuant to Section 4.1(b), whichever is earlier.

1.5 **"Disability"** shall mean the Executive is unable to perform the essential functions of his position hereunder by reason of any medically determinable physical or mental impairment for a total of three (3) months during any twelve (12) month period, and such impairment can reasonably be expected to result in death or to last for a continuous period of at least twelve months. Determinations as to Executive's Disability shall be made by a physician selected by the Board or its insurers and acceptable to the Executive or the Executive's legal representative, such agreement as to acceptability not to be unreasonably withheld or delayed.

1.6 **"Exchange Act"** means the Securities Exchange Act of 1934, as amended.

1.7 **"GO Group"** means Parent, the Company, and their direct and indirect subsidiaries.

1.8 "Good Reason" means that any of the following are undertaken without Executive's express written consent:

(a) the assignment to Executive of any duties or responsibilities or a change in Executive's title, position or status that results in a material diminution or adverse change of Executive's authority, duties or responsibilities;

(b) a material reduction by the Company in Executive's Annual Base Salary or Target Bonus opportunity as in effect from time to time;

(c) the taking of any action by the Company that would materially and adversely affect Executive's participation in, or materially reduce Executive's benefits under, the Company's benefit plans (excluding equity benefits), except to the extent the benefits of all other executives of the Company are similarly reduced;

(d) a material relocation by the Company of Executive's principal office to a location more than forty (40) miles from the location at which Executive was performing Executive's duties immediately prior to such relocation, except for required travel by Executive on the Company's business; or

(e) any material breach by the Company of any provision of this Agreement.

Notwithstanding the foregoing, any of the circumstances described above may not serve as a basis for resignation for "Good Reason" by the Executive unless (A) the Executive notifies the Company of any event constituting Good Reason within ninety (90) days following the initial existence of such circumstance and the Company has failed to cure such circumstance within thirty (30) days following such notice; and (B) the Executive's Separation from Service due to such circumstance occurs within the two (2) year period following the initial existence of such circumstance.

1.9 "Parent" shall mean Grocery Outlet Holding Corp.

1.10 "Separation from Service" shall mean a "separation from service," as defined in Treasury Regulation Section 1.409A-1(h), as determined by the Company as of the Date of Termination in accordance with the terms of Section 409A of the Code and applicable guidance thereunder (including without limitation Treasury Regulation Section 1.409A-1(h) and any successor provision thereto).

1.11 "Term of Employment" shall mean the period commencing on the Effective Date and ending on the Date of Termination.

ARTICLE II
EMPLOYMENT BY THE COMPANY

2.1 Position and Duties. Subject to terms set forth herein, the Company agrees to employ Executive in the positions of President and Chief Executive Officer and Executive hereby accepts such continued employment, effective as of the Effective Date. During the Term of Employment, Executive shall serve in an executive capacity and shall perform such duties as are customarily associated with the positions of President and Chief Executive Officer and such other duties as are assigned to Executive by the Board. Executive also agrees to serve as an officer and/or director of any member of the Company Group, in each case without additional compensation, and, without limiting the foregoing, will serve as a member of the Board at all times Executive serves as the Company's Chief Executive Officer. During the Term of Employment, Executive will devote Executive's best efforts and substantially all of Executive's business time and attention (except for vacation periods and reasonable periods of illness or other incapacities permitted by the Company's general employment policies or as otherwise set forth in this Agreement) to the business of the Company.

2.2 Employment at Will. Both the Company and Executive shall have the right to terminate Executive's employment with the Company at any time, with or without Cause, and without prior notice. If Executive's employment with the Company is terminated, Executive will be eligible to receive severance benefits to the extent provided in this Agreement.

2.3 Employment Policies. The employment relationship between the parties shall also be governed by the general employment policies and practices of the Company, including those relating to protection of confidential information and assignment of inventions, except that when the terms of this Agreement differ from or are in conflict with the Company's general employment policies or practices, this Agreement shall control.

ARTICLE III
COMPENSATION

During the Term of Employment, Executive shall be entitled to the following compensation:

3.1 Base Salary. Executive shall receive for services to be rendered hereunder an annual base salary of $925,000, payable on the regular payroll dates of the Company, subject to increase in the sole discretion of the Board (or an authorized committee thereof) (the "Annual Base Salary").

3.2 Annual Bonus. Executive shall be eligible for an annual incentive bonus award determined by the Board (or an authorized committee thereof) in respect of each fiscal year during the Term of Employment (the "Annual Bonus"). The target Annual Bonus for each fiscal year shall be 125% of Annual Base Salary (the "Target Bonus"), with the actual Annual Bonus payable being based upon the level of achievement of annual Company and individual performance objectives for such fiscal year, as determined by the Board (or an authorized committee thereof) and communicated to Executive. The Annual Bonus shall otherwise be subject to the terms and conditions of the annual bonus plan adopted by the Board (or an authorized committee thereof) under which bonuses are generally payable to senior executives of the Company, as in effect from time to time. The Annual Bonus shall be paid to Executive at the same time as annual bonuses are generally payable to other senior executives of the Company subject to Executive's continuous employment through the applicable payment date.

3.3 Standard Company Benefits. Executive shall be entitled to all rights and benefits for which Executive is eligible under the terms and conditions of the standard Company benefits and compensation practices that may be in effect from time to time and are provided by the Company to its executive employees generally.

3.4 Equity Participation.

(a) In connection with Executive's employment hereunder, Executive shall be entitled to continue to participate in Parent's equity incentive plan, as in effect from time to time (the "Equity Plan"), pursuant to the terms of the Equity Plan, an award agreement and such other documents Executive is required to execute pursuant to the terms of the Equity Plan (the Equity Plan, the award agreement, and such other documents collectively, the "Equity Documents"). Executive's equity participation (both existing and future) shall be exclusively governed by the terms of the Equity Documents.

(b) Without limiting the foregoing, commencing with the Parent's annual equity grant cycle for 2023, and for each year during the Term of Employment thereafter, the Executive shall receive an annual equity grant under the Equity Plan (the "Annual Grant"), with the target equity award value for 2023 being four hundred thirty-two percent (432%) of Executive's Annual Base Salary. Except as may be provided in 4.2(b)(vi) and 4.2(c) of this Agreement, the Annual Grant shall be in the same form (which may include performance stock units), be in the same proportion of award type (if multiple award types are grants), and have the same vesting conditions as applicable to other similarly situated executive officers receiving grants at the same time, as determined by the Board (or designated committee thereof).

ARTICLE IV
TERMINATION OF EMPLOYMENT; SEVERANCE

4.1 Termination. The Executive's employment hereunder may be terminated by the Company or the Executive, as applicable, without any breach of this Agreement only under the following circumstances:

(a) Circumstances.

(i) Death. The Executive's employment hereunder shall terminate upon his death.

(ii) Disability. If the Executive incurs a Disability, the Company may give the Executive written notice of its intention to terminate the Executive's employment. In that event, the Executive's employment with the Company shall terminate effective on the later of the 30th day after receipt of such notice by the Executive or the date specified in such notice, *provided* that within the 30 days after such receipt, the Executive shall not have returned to full-time performance of his duties.

(iii) Termination for Cause. The Company may terminate the Executive's employment for Cause.

(iv) Termination without Cause. The Company may terminate the Executive's employment without Cause.

(v) Resignation for Good Reason. The Executive may resign his employment hereunder for Good Reason.

(vi) Resignation without Good Reason. The Executive may resign his employment hereunder without Good Reason.

(b) Notice of Termination. Any termination of the Executive's employment by the Company or by the Executive under this Section 4.1 (other than termination pursuant to paragraph (a)(i)) shall be communicated by a written notice to the other party hereto indicating (i) the specific termination provision in this Agreement relied upon, (ii) only with respect to a termination pursuant to Section 4.1(a)(iii) or 4.1(a)(v), setting forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated, and (iii) specifying a Date of Termination which, (A) if submitted by the Executive, shall be at least 30 days following the date of such notice, or (B) if submitted by the Company, may, in the case of a termination pursuant to Section 4.1(a)(iii) or Section 4.1(a)(iv), be the date the Executive receives such notice, or any date thereafter elected by the Company in its sole discretion or, in the case of a termination pursuant to Section 4.1(a)(ii), the date determined pursuant to Section 4.1(a)(ii) (each, a "Notice of Termination"); *provided*, *however*, that in the event that the Executive delivers a Notice of Termination to the Company, the Company may, in its sole discretion, change the Date of Termination to any date that occurs during the period beginning on the date of Company's receipt of such Notice of Termination and ending on the date specified in such Notice of Termination. The failure by the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Cause shall not waive any right of the Company hereunder or preclude the Company from asserting such fact or circumstance in enforcing the Company's rights hereunder. Notwithstanding the foregoing, a termination pursuant to Section 4.1(a)(iii) shall be deemed to include a determination following the Executive's termination of employment for any reason if the circumstances existing prior to such termination would have entitled the Company to have terminated the Executive's employment pursuant to Section 4.1(a)(iii).

4.2 Company Obligations Upon Termination of Employment.

(a) In General. Upon a termination of the Executive's employment for any reason, the Executive (or the Executive's estate) shall be entitled to receive the sum of the Executive's Annual Base Salary through the Date of Termination not theretofore paid; and any amount arising from the Executive's participation in, or benefits under, any employee benefit plans, programs or arrangements under Section 3.2 (including without limitation, any disability or life insurance benefit plans, programs or arrangements), which amounts shall be payable in accordance with the terms and conditions of such employee benefit plans, programs or arrangements.

(b) Termination without Cause or for Good Reason. If the Executive's employment shall be terminated by the Company without Cause or by the Executive for Good Reason (but not by reason of the Executive's death, Disability, termination by the Company for Cause or resignation by the Executive without Good Reason), then, in addition to the payments described in Section 4.2(a), the Company shall:

(i) For a period of 24 months following the Date of Termination, continue to pay to the Executive, the Executive's Annual Base Salary as in effect immediately prior to the Date of Termination in equal installments in accordance with the Company's regular payroll practices starting on the first regularly scheduled payroll date on or after the 60^{th} day following the Date of Termination (with the portion of such amounts that would have been payable between the Date of Termination and such date paid in a lump sum on such date);

(ii) Pay to the Executive, an amount equal to two (2) times the Executive's Target Bonus for the year in which the Date of Termination occurs, payable in equal installments in accordance with the Company's regular payroll practices for a period of 24 months following the Date of Termination, starting on the first regularly scheduled payroll date on or after the 60^{th} day following the Date of Termination (with the portion of such amounts that would have been payable between the Date of Termination and such date paid in a lump sum on such date);

(iii) For the period beginning on the Date of Termination and ending on the earlier of (A) the date which is eighteen (18) full months following the Date of Termination, or (B) the date on which the Executive accepts employment with another employer that provides comparable benefits in terms of cost and scope of coverage, the Company shall pay for and provide the Executive and his or her dependents with medical and dental benefits which are substantially the same as the group health benefits provided to the Executive immediately prior to the Date of Termination, including, in the Company's discretion, paying the costs associated with continuation coverage pursuant to COBRA;

(iv) Any unpaid Annual Bonus in respect of any completed fiscal year that has ended prior to the date of such termination (the "Prior Year Bonus Amount"), which amount shall be paid at such time annual bonuses are paid to other senior executives of the Company, but in no event later than the date that is 2½ months following the last day of the fiscal year in which such termination occurred;

(v) Subject to satisfaction of the applicable performance objectives applicable for the fiscal year in which such termination occurs (and assuming target satisfaction of any applicable individual performance objectives), an amount equal to the Annual Bonus otherwise payable to Executive for such fiscal year, assuming Executive had remained employed through the applicable payment date, prorated based on the ratio of the number of days during such year that the Executive was employed to 365, which amount shall be paid at such time annual bonuses are paid to other senior executives of the Company, but in no event later than the date that is 2½ months following the last day of the fiscal year in which such termination occurred; and

(vi) With respect to any awards granted under the Grocery Outlet Holding Corp. 2019 Incentive Plan or any successor plan thereto that are subject to time-based vesting only ("Time Vested Equity Awards"), a number of such Time Vested Equity Awards shall vest upon such termination equal to the number of such Time Vested Equity Awards that would have vested on the next regularly scheduled vesting date but for such termination, prorated based on the ratio of the number of days elapsed from the regularly scheduled vesting date immediately preceding such termination (or, if none, the applicable vesting commencement date of the award) to the total number of days from the regularly scheduled vesting date immediately preceding such termination (or, if none, the applicable vesting commencement date of the award) through the next regularly scheduled vesting date, (such equity treatment, the "Pro Rata Vesting Rights").

(c) Termination upon Death or Disability. If the Executive's employment shall be terminated by reason of his death or Disability, then, in addition to the payments described in Section 4.2(a), as soon as reasonably practicable following the Date of Termination the Company shall (i) provide the Executive with the Pro Rata Vesting Rights, and (ii) pay to the Executive in a lump sum, (A) the Prior Year Bonus Amount, and (B) an amount equal to the Executive's Target Bonus for the year in which the Date of Termination occurs, prorated based on the ratio of the number of days during such year that the Executive was employed to 365.

(d) Release; Required Delay in Payment. Notwithstanding any provision to the contrary in this Agreement:

(i) No amount shall be payable pursuant to Section 4.2(b) unless the Executive's termination of employment constitutes a Separation from Service and unless, prior to the 60th day following the Date of Termination (the "Release Execution Period") the Executive executes a waiver and release of claims agreement in the Company's customary form and does not subsequently revoke such waiver and release of claims agreement (the "Release"). If Executive fails to execute the Release in such a timely manner so as to permit any revocation period to expire prior to the end of such sixty (60) day period, or timely revokes Executive's acceptance of such release following its execution, Executive shall not be entitled to any of the severance benefits provided in Section 4.2(b). No portion of the benefits payable or provided under Section 4.2(b) shall be paid until the Release has become effective and all such amounts shall commence to be paid on the first regular payroll date of the Company after the Release has become effective; provided, that, if the Release Execution Period overlaps two calendar years, the first payment shall not be made sooner than the first day of the second year, and shall include any missed payments.

(ii) If at the time of the Executive's Separation from Service the Executive is determined to be a "specified employee" for purposes of Section 409A(a)(2)(B)(i) of the Code, to the extent delayed commencement of any portion of the termination benefits to which the Executive is entitled under this Agreement is required in order to avoid a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code, such portion of the Executive's termination benefits shall not be provided to the Executive prior to the earlier of (A) the expiration of the six-month period measured from the date of the Executive's Separation from Service or (B) the date of the Executive's death. Upon the earlier of such dates, all payments deferred pursuant to this Section 4.2(d) shall be paid in a lump sum to the Executive, and any remaining payments due under the Agreement shall be paid as otherwise provided herein. For purposes of Section 409A of the Code, the Executive's right to receive any installment payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments. To the extent that any reimbursement of any expense under Sections 3.3 or 4.2 or in-kind benefits provided under this Agreement are deemed to constitute taxable compensation to the Executive, such amounts will be reimbursed or provided no later than December 31 of the year following the year in which the expense was incurred. The amount of any such expenses reimbursed or in-kind benefits provided in one year shall not affect the expenses or in-kind benefits eligible for reimbursement or payment in any subsequent year, and the Executive's right to such reimbursement or payment of any such expenses will not be subject to liquidation or exchange for any other benefit. The determination of whether the Executive is a "specified employee" for purposes of Section 409A(a)(2)(B)(i) of the Code as of the time of his Separation from Service shall be made by the Company in accordance with the terms of Section 409A of the Code and applicable guidance thereunder (including without limitation Treasury Regulation Section 1.409A-1(i) and any successor provision thereto).

4.3 Mitigation. Executive shall not be required to mitigate damages or the amount of any payment provided under this Agreement by seeking other employment or otherwise, nor shall the amount of any payment provided for under this Agreement be reduced by any compensation earned by Executive as a result of employment by another employer or by any retirement benefits received by Executive after the Date of Termination, or otherwise.

ARTICLE V
PROPRIETARY INFORMATION OBLIGATIONS

5.1 Confidentiality. Executive agrees to execute and abide by the Company's customary form of Confidentiality Agreement (the "Confidentiality Agreement"). Without limiting the foregoing, Executive acknowledges that the Company has a legitimate and continuing proprietary interest in the Company's confidential and proprietary information which the Company has expended great sums to develop and maintain. Except as required by law, including disclosure required by judicial process, or as otherwise necessary to fulfill his duties to the Company, the Executive shall not use, exploit, publish or disclose in any manner, and the Executive shall maintain in the strictest confidence, all confidential or proprietary information concerning the Company's business and operations (including information regarding suppliers, customers, details of contracts, pricing policies, market information, operational methods or future plans), and shall keep all such information confidential so long as such information does not become known to third persons other than by reason of an improper disclosure of such information by the Executive.

5.2 Remedies. Executive's duties under the Confidentiality Agreement shall survive termination of Executive's employment with the Company and the termination of this Agreement. Executive acknowledges that a remedy at law for any breach or threatened breach by Executive of the provisions of the Confidentiality Agreement would be inadequate, and Executive therefore agrees that the Company shall be entitled to injunctive relief in case of any such breach or threatened breach.

ARTICLE VI
OUTSIDE ACTIVITIES

6.1 Other Activities. Except with the prior written consent of the Board, Executive shall not during the term of this Agreement undertake or engage in any other employment, occupation or business enterprise, other than ones in which Executive is a passive investor. Executive may engage in civic and not-for-profit activities so long as such activities do not materially interfere with the performance of Executive's duties hereunder.

6.2 Competition/Investments. During the term of Executive's employment by the Company, except on behalf of the GO Group, Executive shall not directly or indirectly, whether as an officer, director, stockholder, partner, proprietor, associate, representative, consultant, or in any capacity whatsoever engage in, become financially interested in, be employed by or have any business connection with any other person, corporation, firm, partnership or other entity whatsoever which were known by Executive to compete directly with the GO Group, throughout the United States, in any line of business engaged in (or planned to be engaged in) by the GO Group; provided, however, that anything above to the contrary notwithstanding, Executive may own, as a passive investor, securities of any competitor corporation, so long as Executive's direct holdings in any one such corporation shall not in the aggregate constitute more than 5% of the voting stock of such corporation.

ARTICLE VII
NONINTERFERENCE

While employed by, or providing services to, the Company, and for twenty four (24) month period immediately following the later of the Date of Termination or the date Executive otherwise ceases providing services to the Company, Executive agrees not to interfere with the business of the Company by soliciting or attempting to solicit any employee of the Company to terminate such employee's employment in order to become an employee, consultant or independent contractor to or for any other entity. For the avoidance of doubt, a bona fide advertisement for employment placed by any party any not specifically targeted at employees of the Company shall not constitute a violation of this Article 7. Executive's duties under this Article 7 shall survive termination of Executive's employment with the Company and the termination of this Agreement.

ARTICLE VIII
GENERAL PROVISIONS

8.1 Notices. All notices and other communications required or permitted under this Agreement which are addressed as provided in this Section 8.1, (A) if delivered personally against proper receipt shall be effective upon delivery and (B) if sent (x) by certified or registered mail with postage prepaid or (y) by Federal Express or similar courier service with courier fees paid by the sender, shall be effective upon receipt. The parties hereto may from time to time change their respective addresses for the purpose of notices to that party by a similar notice specifying a new address, but no such change shall be deemed to have been given unless it is sent and received in accordance with this Section 8.1.

If to the Company:

Grocery Outlet Holding Corp.
5650 Hollis Street Emeryville, CA 94608
Attn: Corporate Secretary

With copy to:

Simpson Thacher & Bartlett, LLP
425 Lexington Avenue
New York, NY 10017
Attn: David E. Rubinsky

If to Executive:

To the most recent address of Executive as listed on the Company payroll.

8.2 Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provisions had never been contained herein.

8.3 Waiver and Amendments. If either party should waive any breach of any provisions of this Agreement, they shall not thereby be deemed to have waived any preceding or succeeding breach of the same or any other provision of this Agreement. Any waiver, alteration, amendment, or modification of any of the terms of this Agreement shall be valid only if made in writing and signed by each of the parties hereto; provided, however, that any such waiver, alteration, amendment, or modification must be consented to on the Company's or Parent's behalf by the Board. No waiver by either of the parties hereto of their rights hereunder shall be deemed to constitute a waiver with respect to any subsequent occurrences or transactions hereunder unless such waiver specifically states that it is to be construed as a continuing waiver.

8.4 Complete Agreement. The terms of this Agreement (together with any other agreements and instruments contemplated hereby or referred to herein) is intended by the parties to be the final expression of their agreement with respect to the employment of the Executive by the Company and may not be contradicted by evidence of any prior or contemporaneous agreement. This Agreement shall supersede all undertakings or agreements, whether written or oral, previously entered into by the Executive and the Company or any predecessor thereto or affiliate thereof with respect to the employment of the Executive by the Company or with respect to severance payable by the Company upon termination of employment. The parties further intend that this Agreement shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever may be introduced in any judicial, administrative, or other legal proceeding to vary the terms of this Agreement. This Agreement is entered into without reliance on any promise or representation other than those expressly contained herein or therein, and cannot be modified or amended except in a writing signed by an officer of the Company and Executive.

8.5 Counterparts. This Agreement may be executed in separate counterparts, any one of which need not contain signatures of more than one party, but all of which taken together will constitute one and the same Agreement. The execution of this Agreement may be by actual or facsimile signature.

8.6 Headings. The headings of the sections hereof are inserted for convenience only and shall not be deemed to constitute a part hereof nor to affect the meaning thereof.

8.7 Successors and Assigns. The Company may assign its rights and obligations under this Agreement to any entity, including any successor to all or substantially all the assets of the Company, by merger or otherwise, and may assign or encumber this Agreement and its rights hereunder as security for indebtedness of the Company and its affiliates. The Executive may not assign the Executive's rights or obligations under this Agreement to any individual or entity. This Agreement shall be binding upon and inure to the benefit of the Company, the Executive and their respective successors, assigns, personnel and legal representatives, executors, administrators, heirs, distributees, devisees, and legatees, as applicable.

8.8 Arbitration. To ensure the timely and economical resolution of disputes that arise in connection with Executive's employment with the Company, Executive and the Company agree that any and all disputes, claims, or causes of action arising from or relating to the enforcement, breach, performance or interpretation of this Agreement, Executive's employment, or the termination of Executive's employment, shall be resolved to the fullest extent permitted by law by final, binding and confidential arbitration, by a single arbitrator, in San Francisco, California, conducted by Judicial Arbitration and Mediation Services, Inc. ("JAMS") under the applicable JAMS employment rules. **By agreeing to this arbitration procedure, both Executive and the Company waive the right to resolve any such dispute through a trial by jury or judge or administrative proceeding.** The arbitrator shall: (a) have the authority to compel adequate discovery for the resolution of the dispute and to award such relief as would otherwise be permitted by law; and (b) issue a written arbitration decision, to include the arbitrator's essential findings and conclusions and a statement of the award. The arbitrator shall be authorized to award any or all remedies that Executive or the Company would be entitled to seek in a court of law. The Company shall pay all JAMS' arbitration fees. Nothing in this Agreement is intended to prevent either Executive or the Company from obtaining injunctive relief in court to prevent irreparable harm pending the conclusion of any such arbitration.

8.9 Attorneys' Fees. If either party hereto brings any action to enforce rights hereunder, each party in any such action shall be responsible for its own attorneys' fees and costs incurred in connection with such action.

8.10 Withholding. The Company shall be entitled to withhold from any amounts payable under this Agreement any federal, state, local or foreign withholding or other taxes or charges which the Company is required to withhold. If any such taxes are paid or advanced by the Company on behalf of Executive, Executive shall remain responsible for, and shall repay, such amounts to the Company, promptly following notice thereof by the Company. Executive acknowledges and represents that the Company has not provided any tax advice to Executive in connection with this Agreement and that Executive has been advised by the Company to seek tax advice from Executive's own tax advisors regarding this Agreement and payments that may be made to Executive pursuant to this Agreement, including specifically, the application of the provisions of Section 409A of the Code to such payments. The Company shall be entitled to rely on an opinion of counsel if any questions as to the amount or requirement of withholding shall arise.

8.11 Section 409A. The parties acknowledge and agree that, to the extent applicable, this Agreement shall be interpreted in accordance with, and the parties agree to use their best efforts to achieve timely compliance with, Section 409A of the Code, and the Department of Treasury Regulations and other interpretive guidance issued thereunder ("Section 409A"), including without limitation any such regulations or other guidance that may be issued after the Effective Date. Notwithstanding any provision of this Agreement to the contrary, in the event that the Company determines that any compensation or benefits payable or provided under this Agreement may be subject to Section 409A, the Company reserves the right to (without any obligation to do so or to indemnify the Executive for failure to do so) adopt such limited amendments to this Agreement and appropriate policies and procedures, including amendments and policies with retroactive effect, that the Company reasonably determines are necessary or appropriate to (a) exempt the compensation and benefits payable under this Agreement from Section 409A and/or preserve the intended tax treatment of the compensation and benefits provided with respect to this Agreement or (b) comply with the requirements of Section 409A, and thereby avoid the application of penalty taxes thereunder.

8.12 Choice of Law. All questions concerning the construction, validity and interpretation of this Agreement will be governed by the law of the State of California without regard to the conflicts of law provisions thereof.

8.13 Certain Payments. In the event that (a) Executive is entitled to receive any payment, benefit or distribution of any type to or for the benefit of Executive, whether paid or payable, provided or to be provided, or distributed or distributable, pursuant to the terms of this Agreement or otherwise (collectively, the "Payments"), and (b) the net after-tax amount of such Payments, after Executive has paid all taxes due thereon (including, without limitation, taxes due under Section 4999 of the Code) is less than the net after-tax amount of all such Payments otherwise due to Executive in the aggregate, if such Payments were reduced to an amount equal to 2.99 times Executive's "base amount" (as defined in Section 280G(b)(3) of the Code), then the aggregate amount of such Payments payable to Executive shall be reduced to an amount that will equal 2.99 times Executive's base amount. To the extent such aggregate "parachute payment" (as defined in Section 280G(b)(2) of the Code) amounts are required to be so reduced, the parachute payment amounts due to Executive (but no non-parachute payment amounts) shall be reduced, to the extent an amount is not considered nonqualifed deferred compensation under Section 409A, as determined by Executive, and to the extent considered nonqualified deferred compensation under Section 409A, in the order that results in the least economic impact to Executive.

8.14 Payment or Reimbursement of Legal Expenses for Agreement. The Company shall pay or reimburse Executive for the reasonable and documented out-of-pocket legal fees and expenses incurred by Executive in connection with the review, preparation, and negotiation of this Agreement, up to a maximum of $25,000.

[Signature pages follow]

In Witness Whereof, the parties have executed this Agreement on the day and year first above written.

GROCERY OUTLET INC.

By: /s/ Eric J. Lindberg, Jr.
Name: Eric J. Lindberg, Jr.
Title: Chief Executive Officer

GROCERY OUTLET HOLDING CORP.

By: /s/ Eric J. Lindberg, Jr.
Name: Eric J. Lindberg, Jr.
Title: Chief Executive Officer

Accepted and agreed:

/s/ Robert Joseph Sheedy, Jr.
ROBERT JOSEPH SHEEDY, JR.

GROCERY OUTLET HOLDING CORP.
NON-EMPLOYEE DIRECTOR COMPENSATION POLICY
(as amended November 2, 2022 and as effective January 1, 2023)

Cash Compensation

Each non-employee director of Grocery Outlet Holding Corp. (the "Company," "we," or "our) is entitled to receive an annual cash retainer of $75,000, any non-employee director serving as Lead Independent Director of our board of directors is entitled to receive an additional annual cash retainer of $50,000 for such service and any non-employee director serving as chairperson of our board of directors is entitled to receive an additional annual cash retainer of $150,000 for such service. In addition, each non-employee director is entitled to receive additional annual cash retainers as shown in the following table, as applicable.

	Member	**Chair**
Audit and Risk Committee	$15,000	$25,000
Compensation Committee	$10,000	$20,000
Nominating and Corporate Governance Committee	$10,000	$20,000

The annual retainers are earned on a quarterly basis based on a calendar quarter.

Equity Compensation

Each non-employee director will be granted an annual restricted stock unit ("RSU") award with respect to a number of shares of our common stock having a grant date fair market value of $125,000 (rounded up to the next whole share). Non-employee directors who are appointed to the Board between the customary equity award grant dates generally receive a prorated RSU grant. Subject to the non-employee director’s continued service with us on the applicable vesting date, the annual RSU awards will generally vest in full over twelve months or in full upon a Change in Control (as defined in the applicable award agreement). Upon vesting, each RSU will be settled for one share of our common stock within 30 days of the date on which the relevant vesting date occurs. The number of shares underlying the annual RSU grant is calculated by dividing $125,000 by the fair market value of our common stock (which is the closing price of a share of our common stock on Nasdaq) on the grant date.

Director Deferral Program

From time to time, non-employee directors may be given the opportunity to participate in a compensation deferral plan sponsored by the Company. In accordance with the Grocery Outlet Holding Corp. Directors Deferral Plan (the "Deferral Plan"), non-employee directors may elect to defer all of their annual cash compensation and/or all of the Company shares issued upon settlement of their annual RSU award, in each case, in the form of deferred stock units ("DSUs") credited to an account maintained by us. The number of DSUs credited in respect of annual cash compensation is determined by dividing the dollar amount of the deferred cash compensation by the fair market value of a share of our common stock on the date the cash compensation otherwise would have been paid to the director. DSUs are awarded from, and remain subject to the terms of, the 2019 Incentive Plan.

Each DSU represents the right to receive a number of shares of our common stock equal to the number of DSUs initially credited to the director’s account plus the number of DSUs credited as a result of any dividend equivalent rights (to which DSUs initially credited to a director’s account are entitled). Directors may elect that settlement of DSUs be made or commence on (i) the first business day in a year following the year for which the deferral is made, (ii) following termination of service on the Board or (iii) the earlier of (i) or (ii). Directors may elect that DSUs are settled in a single one-time distribution or in a series of up to 15 annual installments. In addition, DSU accounts will be settled upon a Change in Control (as defined in the 2019 Incentive Plan) or upon a director’s death. Notwithstanding the foregoing, with respect to Mr. Read only, he will forfeit the right to settlement of his DSUs to the extent that the DSUs otherwise would be settled upon a Change in Control that occurred prior to a specified date.

Expense Reimbursement

Each non-employee director will be reimbursed for reasonable out-of-pocket travel expenses incurred in connection with attendance at Board and committee meetings and other Board related activities in accordance with our plans or policies as in effect from time to time.

Exhibit 99.1

Grocery Outlet Holding Corp. Announces Third Quarter Fiscal 2022 Financial Results
Raises Fiscal Year 2022 Net Sales and Earnings Guidance

Emeryville, CA – November 8, 2022 – Grocery Outlet Holding Corp. (NASDAQ: GO) ("Grocery Outlet" or the "Company") today announced financial results for the third quarter of fiscal 2022 ended October 1, 2022.

Highlights for the Third Quarter Fiscal 2022 as compared to the Third Quarter Fiscal 2021:

- Net sales increased by 19.4% to $918.2 million.
- Comparable store sales increased by 15.4% and on a 3-year stacked basis increased by 20.2%[(1)].
- The Company opened six new stores, ending the quarter with 431 stores in eight states.
- Net income increased by 2.1% to $17.5 million, or $0.17 per diluted share.
- Adjusted EBITDA[(2)] increased by 15.0% to $59.1 million.
- Adjusted net income[(2)] increased by 14.2% to $26.8 million, or $0.27 per adjusted diluted share[(2)].

Eric Lindberg, CEO of Grocery Outlet, commented, "I'm extremely pleased with the results we delivered and the continued momentum in our business, especially the uptick in transaction count. Our value offering is clearly resonating with an increasing number of families looking for ways to stretch their dollar to offset the impact of inflation on their lives. I want to thank our extended Grocery Outlet family, including our IOs, their employees, and our team members across our corporate office, field and supply chain, for delivering on our mission of *Touching Lives for the Better*. I couldn't be more confident in the team we have and how well we are positioned as we embark on our next chapter of growth."

[(1)] Comparable store sales on a 3-year stacked basis represents the sum of the increase or decrease in comparable store sales, as reported, in the third quarters of fiscal 2022, 2021 and 2020 and 39 weeks ended October 1, 2022, October 2, 2021 and September 26, 2020.

[(2)] Adjusted EBITDA, adjusted net income and adjusted diluted earnings per share are non-GAAP financial measures, which exclude the impact of certain special items. Please note that our non-GAAP financial measures should be considered as a supplement to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. See the "Non-GAAP Financial Information" section of this release as well as the respective reconciliations of our non-GAAP financial measures below for additional information about these items.

Highlights for the 39 Weeks Ended October 1, 2022 as compared to the 39 Weeks Ended October 2, 2021:

- Net sales increased by 15.3% to $2.65 billion.
- Comparable store sales increased by 10.6% and on a 3-year stacked basis increased by 17.4%[1].
- Net income decreased by 11.7% to $49.2 million, or $0.49 per diluted share.
- Adjusted EBITDA[2] increased by 11.5% to $168.5 million.
- Adjusted net income[2] increased by 10.3% to $77.1 million, or $0.77 per adjusted diluted share[2].

Balance Sheet and Cash Flow:

- Cash and cash equivalents totaled $107.3 million at the end of the third quarter of fiscal 2022.
- Total debt was $379.3 million at the end of the third quarter of fiscal 2022, net of unamortized discounts and debt issuance costs.
- Net cash provided by operating activities during the third quarter of fiscal 2022 was $55.1 million.
- Capital expenditures for the third quarter of fiscal 2022, before the impact of tenant improvement allowances, were $33.4 million, and, net of tenant improvement allowances, were $32.1 million.

Outlook:

The Company is revising its fiscal 2022 outlook on key metrics as follows:

	Previous	Revised
New store openings, net	28	26
Net sales	$3.46 billion to $3.48 billion	~$3.55 billion
Comparable store sales increase	8.0% to 8.5%	~11%
Gross margin	~30.6%	~30.5%
Adjusted EBITDA[2]	$218 million to $223 million	~$224 million
Adjusted earnings per share — diluted[2]	$0.97 to $1.00	~$1.00
Capital expenditures (net of tenant improvement allowances)	~$115 million	~$115 million

Charles Bracher, CFO of Grocery Outlet, commented, "We are raising our full year top and bottom-line expectations reflecting third quarter outperformance and strong quarter-to-date trends as we are executing well on our strategic priorities. Our foundation is strong, and we continue to invest in support of our growth initiatives in order to drive long-term shareholder value."

Conference Call Information:

A conference call to discuss the third quarter fiscal 2022 financial results is scheduled for today, November 8, 2022 at 4:30 p.m. Eastern Time. Investors and analysts interested in participating in the call are invited to dial (877) 407-9208 approximately 10 minutes prior to the start of the call, using conference ID #13730479. A live audio webcast of the conference call will be available online at https://investors.groceryoutlet.com.

A taped replay of the conference call will be available within two hours of the conclusion of the call and can be accessed both online and by dialing (844) 512-2921 and entering access code 13730479. The replay will be available for approximately two weeks after the call.

Non-GAAP Financial Information:

In addition to reporting financial results in accordance with accounting principles generally accepted in the United States ("GAAP"), the Company uses EBITDA, adjusted EBITDA, adjusted net income and adjusted earnings per share as supplemental measures of performance to evaluate the effectiveness of its business strategies, to make budgeting decisions and to compare its performance against that of other peer companies using similar measures. In addition, the Company uses adjusted EBITDA to supplement GAAP measures of performance to evaluate performance in connection with compensation decisions. Management believes it is useful to investors and analysts to evaluate these non-GAAP measures on the same basis as management uses to evaluate the Company's operating results. Management believes that excluding items from operating income, net income and net income per diluted share that may not be indicative of, or are unrelated to, the Company's core operating results, and that may vary in frequency or magnitude, enhances the comparability of the Company's results and provides additional information for analyzing trends in the business.

Adjusted EBITDA is defined as net income before net interest expense, income taxes, depreciation and amortization expenses ("EBITDA") and adjusted to exclude share-based compensation expense, non-cash rent, asset impairment and gain or loss on disposition, provision for accounts receivable reserves and certain other expenses that may not be indicative of, or are unrelated to, the Company's core operating results, and that may vary in frequency or magnitude. Adjusted net income represents net income adjusted for the previously mentioned adjusted EBITDA adjustments, further adjusted for costs related to amortization of purchase accounting assets and deferred financing costs, tax adjustment to normalize the effective tax rate, and tax effect of total adjustments. Basic adjusted earnings per share is calculated using adjusted net income, as defined above, and basic weighted average shares outstanding. Diluted adjusted earnings per share is calculated using adjusted net income, as defined above, and diluted weighted average shares outstanding.

EBITDA, adjusted EBITDA, adjusted net income and adjusted earnings per share are non-GAAP measures and may not be comparable to similar measures reported by other companies. EBITDA, adjusted EBITDA, adjusted net income and adjusted earnings per share have limitations as analytical tools, and you should not consider them in isolation or as a substitute for analysis of the Company's results as reported under GAAP. The Company addresses the limitations of the non-GAAP measures through the use of various GAAP measures. In the future the Company will incur expenses or charges such as those added back to calculate adjusted EBITDA or adjusted net income. The presentation of EBITDA, adjusted EBITDA, adjusted net income and adjusted earnings per share should not be construed as an inference that future results will be unaffected by the adjustments used to derive these non-GAAP measures.

The Company has not reconciled the non-GAAP adjusted EBITDA and adjusted diluted earnings per share forward-looking guidance included in this release to the most directly comparable GAAP measures because this cannot be done without unreasonable effort due to the variability and low visibility with respect to taxes and non-recurring items, which are potential adjustments to future earnings. We expect the variability of these items to have a potentially unpredictable, and a potentially significant, impact on our future GAAP financial results.

Forward-Looking Statements:

This news release includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this release other than statements of historical fact, including statements regarding our future operating results and financial position, our business strategy and plans, business and market trends, our objectives for future operations and macroeconomic conditions may constitute forward-looking statements. Words such as "anticipate," "believe," "estimate," "expect," "intend," "may," "outlook," "plan," "project," "seek," "will," and similar expressions, are intended to identify such forward-looking statements. These forward-looking statements are subject to a number of risks, uncertainties and assumptions that may cause actual results to differ materially from those expressed or implied by any forward-looking statements, including the following: failure of suppliers to consistently supply the Company with opportunistic products at attractive pricing; inability to successfully identify trends and maintain a consistent level of opportunistic products; failure to maintain or increase comparable store sales; inflation (resulting in part from various supply disruptions, increased shipping and transportation costs, increased commodity costs, increased labor costs in the supply chain, increased selling, general and administrative expenses and the uncertain economic environment) and other changes affecting the market prices and supply of the products the Company sells; failure to open, relocate or remodel stores on schedule and on budget (including due to increased lead times to acquire materials, obtain permits and licenses as well as higher construction related costs); risks associated with newly opened stores; costs and successful implementation of marketing, advertising and promotions; failure to maintain the Company's reputation and the value of its brand, including protecting intellectual property; any significant disruption to the Company's distribution network, the operations of its distributions centers and timely receipt of inventory; inability to maintain sufficient levels of cash flow from operations; risks associated with leasing substantial amounts of space; failure to participate effectively in the growing online retail marketplace; natural or man-made disasters, unusual weather conditions (which may become more frequent due to climate change), power outages, pandemic outbreaks, terrorist acts, global political events or other serious catastrophic events and the concentration of the Company's business operations; unexpected costs and negative effects if the Company incurs losses not covered by insurance; inability to attract, train and retain highly qualified employees; risks associated with macroeconomic and geopolitical conditions; competition in the retail food industry; movement of consumer trends toward private labels and away from name-brand products; the impact of COVID-19; failure to maintain the security of information relating to personal information or payment card data of customers, employees and suppliers; material disruption to information technology systems; risks associated with products the Company and its independent operators ("IOs") sell; risks associated with laws and regulations generally applicable to retailers; legal proceedings from customers, suppliers, employees, governments or competitors; failure of the IOs to successfully manage their business; failure of the IOs to repay notes outstanding to us; inability to attract and retain qualified IOs; inability of the IOs to avoid excess inventory shrink; any loss or changeover of an IO; legal proceedings initiated against the IOs; legal challenges to the IO/independent contractor business model; failure to maintain positive relationships with the IOs; risks associated with actions the IOs could take that could harm the Company's business; the Company's substantial indebtedness could affect its ability to operate its business, react to changes in the economy or industry or pay debts and meet obligations; restrictive covenants in the Company's debt agreements may restrict its ability to pursue its business strategies, and failure to comply with any of these restrictions could result in acceleration of the Company's debt; risks associated with tax matters; changes in accounting standards and subjective assumptions, estimates and judgments by management related to complex accounting matters; and the other factors discussed under "Risk Factors" in the Company's most recent annual report on Form 10-K and in other subsequent reports the Company files with the United States Securities and Exchange Commission (the "SEC"). The Company's periodic filings are accessible on the SEC's website at www.sec.gov.

Moreover, the Company operates in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for management to predict all risks or assess the impact of all factors on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. The events and circumstances reflected in the forward-looking statements may not be achieved or occur. Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, the Company cannot guarantee that future results, levels of activity, performance or achievements. These forward-looking statements are made as of the date of this release or as of the date specified herein and the Company has based these forward-looking statements on current expectations and projections about future events and trends. Except as required by law, the Company does not undertake any duty to update any of these forward-looking statements after the date of this news release or to conform these statements to actual results or revised expectations.

About Grocery Outlet:

Based in Emeryville, California, Grocery Outlet is a high-growth, extreme value retailer of quality, name-brand consumables and fresh products sold through a network of independently operated stores. Grocery Outlet has more than 430 stores in California, Washington, Oregon, Pennsylvania, Idaho, Nevada, New Jersey and Maryland.

INVESTOR RELATIONS CONTACTS:

Arvind Bhatia, CFA
(510) 704-2816
abhatia@cfgo.com

John Rouleau
(203) 682-4810
John.Rouleau@icrinc.com

MEDIA CONTACT:

Layla Kasha
(510) 379-2176
lkasha@cfgo.com

GROCERY OUTLET HOLDING CORP.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

(in thousands, except per share data)
(unaudited)

	13 Weeks Ended		39 Weeks Ended	
	October 1, 2022	October 2, 2021	October 1, 2022	October 2, 2021
Net sales	$ 918,185	$ 768,880	$ 2,647,271	$ 2,296,881
Cost of sales	637,550	531,768	1,836,336	1,590,044
Gross profit	280,635	237,112	810,935	706,837
Operating expenses:				
Selling, general and administrative	227,458	191,572	659,116	573,125
Depreciation and amortization	19,406	17,495	56,430	49,997
Share-based compensation	9,084	1,902	24,363	10,051
Total operating expenses	255,948	210,969	739,909	633,173
Income from operations	24,687	26,143	71,026	73,664
Other expenses (income):				
Interest expense, net	4,798	3,950	12,355	11,778
Gain on insurance recoveries	—	—	—	(3,970)
Loss on debt extinguishment	—	—	1,274	—
Total other expenses (income)	4,798	3,950	13,629	7,808
Income before income taxes	19,889	22,193	57,397	65,856
Income tax expense	2,394	5,054	8,234	10,185
Net income and comprehensive income	$ 17,495	$ 17,139	$ 49,163	$ 55,671
Basic earnings per share	$ 0.18	$ 0.18	$ 0.51	$ 0.58
Diluted earnings per share	$ 0.17	$ 0.17	$ 0.49	$ 0.56
Weighted average shares outstanding:				
Basic	97,057	95,955	96,587	95,610
Diluted	100,485	99,169	100,051	99,477

GROCERY OUTLET HOLDING CORP.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)
(unaudited)

	October 1, 2022	January 1, 2022
Assets		
Current assets:		
Cash and cash equivalents	$ 107,277	$ 140,085
Independent operator receivables and current portion of independent operator notes, net of allowance	9,097	7,219
Other accounts receivable, net of allowance	3,126	3,159
Merchandise inventories	331,891	275,502
Prepaid expenses and other current assets	17,186	16,780
Total current assets	468,577	442,745
Independent operator notes, net of allowance	21,949	21,516
Property and equipment, net	537,678	499,387
Operating lease right-of-use assets	907,057	898,152
Intangible assets, net	60,676	51,921
Goodwill	747,943	747,943
Other assets	7,149	8,144
Total assets	$ 2,751,029	$ 2,669,808
Liabilities and Stockholders' Equity		
Current liabilities:		
Trade accounts payable	$ 143,037	$ 122,110
Accrued and other current liabilities	57,471	49,025
Accrued compensation	22,328	8,450
Current lease liabilities	55,698	51,136
Income and other taxes payable	8,914	7,185
Total current liabilities	287,448	237,906
Long-term debt, net	379,261	451,468
Deferred income tax liabilities, net	17,049	9,416
Long-term lease liabilities	981,959	961,746
Total liabilities	1,665,717	1,660,536
Stockholders' equity:		
Common stock	97	96
Series A preferred stock	—	—
Additional paid-in capital	838,577	811,701
Retained earnings	246,638	197,475
Total stockholders' equity	1,085,312	1,009,272
Total liabilities and stockholders' equity	$ 2,751,029	$ 2,669,808

GROCERY OUTLET HOLDING CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	39 Weeks Ended	
	October 1, 2022	October 2, 2021
Cash flows from operating activities:		
Net income	$ 49,163	$ 55,671
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation of property and equipment	53,067	46,236
Amortization of intangible and other assets	5,631	5,809
Amortization of debt issuance costs and discounts	1,727	1,883
Gain on insurance recoveries	—	(3,970)
Loss on debt extinguishment	1,274	—
Share-based compensation	24,363	10,051
Provision for accounts receivable	2,773	3,529
Proceeds from insurance recoveries - business interruption and inventory	—	2,103
Deferred income taxes	7,633	9,085
Other	890	950
Changes in operating assets and liabilities:		
Independent operator and other accounts receivable	(3,509)	884
Merchandise inventories	(56,389)	(687)
Prepaid expenses and other current assets	(406)	1,114
Income and other taxes payable	1,729	398
Trade accounts payable, accrued compensation and other liabilities	35,182	(4,526)
Changes in operating lease assets and liabilities, net	16,732	13,235
Net cash provided by operating activities	139,860	141,765
Cash flows from investing activities:		
Advances to independent operators	(6,974)	(7,614)
Repayments of advances from independent operators	5,433	3,581
Purchases of property and equipment	(85,359)	(89,575)
Proceeds from sales of assets	34	24
Investments in intangible assets and licenses	(12,361)	(4,566)
Proceeds from insurance recoveries - property and equipment	—	1,867
Net cash used in investing activities	(99,227)	(96,283)
Cash flows from financing activities:		
Proceeds from exercise of stock options	5,998	6,138
Principal payments on senior term loan	(75,000)	—
Principal payments on finance leases	(955)	(834)
Repurchase of common stock	(3,451)	—
Dividends paid	(33)	(136)
Net cash provided by (used in) financing activities	(73,441)	5,168
Net increase (decrease) in cash and cash equivalents	(32,808)	50,650
Cash and cash equivalents at beginning of period	140,085	105,326
Cash and cash equivalents at end of period	$ 107,277	$ 155,976

GROCERY OUTLET HOLDING CORP.
RECONCILIATION OF GAAP NET INCOME TO ADJUSTED EBITDA
(in thousands)
(unaudited)

	13 Weeks Ended		39 Weeks Ended	
	October 1, 2022	October 2, 2021	October 1, 2022	October 2, 2021
Net income	$ 17,495	$ 17,139	$ 49,163	$ 55,671
Interest expense, net	4,798	3,950	12,355	11,778
Income tax expense	2,394	5,054	8,234	10,185
Depreciation and amortization expenses (1)	20,154	18,234	58,698	52,045
EBITDA	44,841	44,377	128,450	129,679
Share-based compensation expenses (2)	9,084	1,902	24,363	10,051
Non-cash rent (3)	1,589	2,391	5,360	8,360
Asset impairment and gain or loss on disposition (4)	343	186	888	943
Provision for accounts receivable reserves (5)	721	1,240	2,773	3,529
Other (6)	2,521	1,293	6,652	(1,500)
Adjusted EBITDA	$ 59,099	$ 51,389	$ 168,486	$ 151,062

GROCERY OUTLET HOLDING CORP.
RECONCILIATION OF GAAP NET INCOME TO ADJUSTED NET INCOME
(in thousands, except per share data)
(unaudited)

	13 Weeks Ended		39 Weeks Ended	
	October 1, 2022	October 2, 2021	October 1, 2022	October 2, 2021
Net income	$ 17,495	$ 17,139	$ 49,163	$ 55,671
Share-based compensation expenses (2)	9,084	1,902	24,363	10,051
Non-cash rent (3)	1,589	2,391	5,360	8,360
Asset impairment and gain or loss on disposition (4)	343	186	888	943
Provision for accounts receivable reserves (5)	721	1,240	2,773	3,529
Other (6)	2,521	1,293	6,652	(1,500)
Amortization of purchase accounting assets and deferred financing costs (7)	3,031	2,943	9,198	8,829
Tax adjustment to normalize effective tax rate (8)	(3,178)	(867)	(7,649)	(7,525)
Tax effect of total adjustments (9)	(4,840)	(2,787)	(13,622)	(8,459)
Adjusted net income	$ 26,766	$ 23,440	$ 77,126	$ 69,899
GAAP earnings per share				
Basic	$ 0.18	$ 0.18	$ 0.51	$ 0.58
Diluted	$ 0.17	$ 0.17	$ 0.49	$ 0.56
Adjusted earnings per share				
Basic	$ 0.28	$ 0.24	$ 0.80	$ 0.73
Diluted	$ 0.27	$ 0.24	$ 0.77	$ 0.70
Weighted average shares outstanding				
Basic	97,057	95,955	96,587	95,610
Diluted	100,485	99,169	100,051	99,477

(1) Includes depreciation related to our distribution centers, which is included within the cost of sales line item in our condensed consolidated statements of operations and comprehensive income.

(2) Includes non-cash share-based compensation expense and cash dividends paid on vested share-based awards as a result of dividends declared in connection with recapitalizations that occurred in fiscal 2018 and 2016.

(3) Consists of the non-cash portion of rent expense, which represents the difference between our straight-line rent expense recognized under GAAP and cash rent payments. The adjustment can vary depending on the average age of our lease portfolio.

(4) Represents asset impairment charges and gains or losses on dispositions of assets.

(5) Represents non-cash changes in reserves related to our IO notes and accounts receivable.

(6) Represents other non-recurring, non-cash or non-operational items, such as store closing costs, loss on debt extinguishment, legal settlements and other legal expenses, costs related to employer payroll taxes associated with equity awards, technology upgrade implementation costs, certain personnel-related costs, gain on insurance recoveries and miscellaneous costs.

(7) Represents the amortization of debt issuance costs and incremental amortization of an asset step-up resulting from purchase price accounting related to our acquisition in 2014 by an investment fund affiliated with Hellman & Friedman LLC, which included trademarks, customer lists, and below-market leases.

(8) Represents adjustments to normalize the effective tax rate for the impact of unusual or infrequent tax items that we do not consider in our evaluation of ongoing performance, including excess tax benefits related to stock option exercises and vesting of restricted stock units that are recorded in earnings as discrete items in the reporting period in which they occur.

(9) Represents the tax effect of the total adjustments. We calculate the tax effect of the total adjustments on a discrete basis excluding any non-recurring and unusual tax items.

Exhibit 99.2

Grocery Outlet Holding Corp. Announces CEO Transition

CEO Eric Lindberg will transition to role of Chairman of the Board; Current President RJ Sheedy to become President & Chief Executive Officer

Emeryville, CA – November 8, 2022 – Grocery Outlet Holding Corp. (NASDAQ: GO) ("Grocery Outlet" or the "Company") today announced that effective January 1, 2023, Eric Lindberg will transition from the role of Chief Executive Officer to Chairman of the Board, and RJ Sheedy, currently the Company's President, will become President and Chief Executive Officer. Mr. Sheedy also will be appointed to the Board, and Erik D. Ragatz, currently Chairman of the Board, will assume the role of Lead Independent Director.

"There is no one better to lead Grocery Outlet into the next chapter of growth than RJ Sheedy. He is a strong business leader who takes a long-term strategic approach, which will position Grocery Outlet for continued success," said Mr. Lindberg. "RJ's leadership style exemplifies our culture and values, he is passionate about the business, and his relentless pursuit of excellence resonates with and inspires our team. I am immensely grateful for the opportunity to have led this remarkable group of people for the past seventeen years, and I look forward to working closely with RJ and the management team in my future role as Chairman."

Mr. Sheedy brings more than 20 years of experience in the grocery and retail industries. He joined Grocery Outlet in 2012 and has served as the Company's President since 2019. Throughout his tenure at Grocery Outlet, Mr. Sheedy has served in leadership roles overseeing purchasing, marketing, supply chain and strategy.

"I am honored to serve as the next CEO of Grocery Outlet, succeeding Eric, who has demonstrated great leadership and vision. The company has experienced tremendous growth and transformation during his tenure, and I look forward to working with Eric for many more years to come," said Mr. Sheedy. "For over ten years, I have had the privilege of working with the incredibly talented and committed group of independent operators and employees at Grocery Outlet. I am excited to continue working closely with them to provide even better value to our customers and extend our mission of *Touching Lives for the Better* in both existing and new geographies. I am eager to lead Grocery Outlet forward as we strive to realize our tremendous growth potential."

Mr. Ragatz said, "On behalf of the Board, I want to thank Eric for his outstanding leadership and unwavering commitment to Grocery Outlet and our employees, independent operators, customers, and communities. Under his stewardship, the business has experienced remarkable success and remains well-positioned for continued growth. As President, RJ has been instrumental in that success and in guiding the company's long-term strategic vision. RJ is a respected leader throughout the company, and we are confident that he is the best person to lead Grocery Outlet through this exciting next phase of growth."

Forward-Looking Statements:

This news release includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this release other than statements of historical fact, including statements regarding the Company's prospects, plans, business, future financial performance and business strategy, may constitute forward-looking statements. Words such as "anticipate," "believe," "estimate," "expect," "intend," "may," "outlook," "plan," "project," "seek," "will," and similar expressions, are intended to identify such forward-looking statements. These forward-looking statements are subject to a number of risks, uncertainties and assumptions that may cause actual results to differ materially from those expressed or implied by any forward-looking statements, including the factors discussed under "Risk Factors" in the Company's most recent annual report on Form 10-K and in other subsequent reports the Company files with the United States Securities and Exchange Commission (the "SEC"). The Company's periodic filings are accessible on the SEC's website at www.sec.gov.

These forward-looking statements are made as of the date of this release or as of the date specified herein and the Company has based these forward-looking statements on current expectations and projections about future events and trends. Except as required by law, the Company does not undertake any duty to update any of these forward-looking statements after the date of this news release or to conform these statements to actual results or revised expectations.

About Grocery Outlet:

Based in Emeryville, California, Grocery Outlet is a high-growth, extreme value retailer of quality, name-brand consumables and fresh products sold through a network of independently operated stores. Grocery Outlet has more than 430 stores in California, Washington, Oregon, Pennsylvania, Idaho, Nevada, New Jersey and Maryland.

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