

Grocery Outlet Supplemental Information

August 2025



Disclaimer

Non-GAAP Financial Measures

In this supplemental information, Grocery Outlet Holding Corp. (the “Company”) provides EBITDA, adjusted EBITDA, net debt and net leverage as supplemental measures that are not required by, or presented in accordance with, United States (“U.S.”) generally accepted accounting principles (“GAAP”). 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 and liquidity. The Company uses EBITDA and adjusted EBITDA as supplemental measures of operating performance to evaluate the effectiveness of its business strategies, to make budgeting decisions, to compare its performance against that of other peer companies using similar measures and, for certain measures, to evaluate performance in connection with compensation decisions. The Company uses net debt and net leverage as supplemental measures of its liquidity performance to monitor and evaluate the Company's overall liquidity and financial flexibility to pursue operational strategies and to evaluate its capital structure, progress towards leverage targets and ability to service its long-term debt obligations. These non-GAAP measures should not be considered in isolation or as a substitute for any operating performance or liquidity measures derived in accordance with U.S. GAAP. The presentation of these non-GAAP measures should not be construed as an inference that future results will be unaffected by the adjustments used to derive these non-GAAP financial measures. See the supplemental information included in this presentation for reconciliations to the most directly comparable GAAP financial measures.

Net Debt and Net Leverage

	2018	2019	2020	2021	2022	2023	2024	Q2 2025
Total Debt ⁽¹⁾	\$857.4	\$448.0	\$449.2	\$451.5	\$379.7	\$292.7	\$477.5	\$474.0
Less: cash and cash equivalents	\$21.1	\$28.1	\$105.3	\$140.1	\$102.7	\$115.0	\$62.8	\$55.2
Net Debt ⁽²⁾	\$836.3	\$419.9	\$343.9	\$311.4	\$276.9	\$177.7	\$414.7	\$418.8
Adjusted EBITDA	\$143.4	\$155.2	\$212.7	\$182.9	\$214.7	\$252.6	\$236.8	\$249.1
Net Leverage ⁽³⁾	5.8x	2.7x	1.6x	1.7x	1.3x	0.7x	1.8x	1.7x

Note: Dollars in millions. Amounts may not sum to totals due to rounding.

- (1) Defined as long-term debt, net of unamortized debt discounts and debt issuance costs.
- (2) Defined as Total Debt, less cash & cash equivalents.
- (3) Defined as Net Debt / Adjusted EBITDA, as shown in the following slide.

Adjusted EBITDA Reconciliation

	2018	2019	2020	2021	2022	2023	2024	Q2 2025 LTM	<i>Location on P&L</i>
Net Income (Loss)	\$15.9	\$15.4	\$106.7	\$62.3	\$65.1	\$79.4	\$39.5	\$8.1	
Interest expense, net	55.4	45.9	20.0	15.6	18.0	16.4	22.2	26.5	Interest Expense
Income tax expense (benefit)	6.0	1.4	(19.6)	15.2	10.7	24.6	16.7	7.3	Income Tax
Depreciation and amortization expenses	47.1	50.1	58.1	71.1	78.3	88.0	108.2	118.0	COGS/SG&A
EBITDA	\$124.3	\$112.9	\$165.2	\$164.2	\$172.0	\$208.4	\$186.5	\$159.9	
Share-based compensation expenses ⁽¹⁾	10.4	31.4	38.1	17.6	32.6	31.1	10.5	2.8	SG&A
Loss on debt extinguishment and modification ⁽²⁾	5.3	5.6	0.2	-	1.3	5.3	-	-	Loss on debt extinguishment and modification
Asset impairment and gain or loss on disposition ⁽³⁾	1.3	2.0	1.7	1.2	1.2	0.5	1.0	4.3	SG&A
Acquisition and integration costs ⁽⁴⁾	-	-	-	-	-	0.5	8.6	1.5	SG&A
Amortization of purchase accounting assets ⁽⁵⁾	-	-	-	-	-	-	0.8	-	COGS
Restructuring costs ⁽⁶⁾	-	-	-	-	-	-	15.9	60.9	Restructuring Charges
Other ⁽⁷⁾	2.1	3.3	7.5	(0.2)	7.7	6.8	13.3	19.7	SG&A/Other Expense (Income)
Adjusted EBITDA	\$143.4	\$155.2	\$212.7	\$182.9	\$214.7	\$252.6	\$236.8	\$249.1	

Note: Dollars in millions. Amounts may not sum to totals due to rounding.

- (1) 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 fiscal 2016.
- (2) Represents the write-off of debt issuance costs and debt discounts as well as debt modification costs related to refinancing and/or repayment of our credit facilities.
- (3) Represents non-restructuring asset impairment charges and gains or losses on dispositions of assets.
- (4) Represents costs related to the acquisition and integration of United Grocery Outlet, including due diligence, legal, other consulting and retention bonus expenses.
- (5) Represents the incremental amortization of inventory step-ups resulting from purchase price accounting related to the acquisition of United Grocery Outlet.
- (6) Represents charges related to the Restructuring Plan, which include lease termination costs, non-cash impairment and disposal of long-lived assets, employee severance and benefit costs and legal, professional and other costs.
- (7) Represents other non-recurring, non-cash or non-operational items, such as certain personnel-related hiring and termination costs, system implementation costs, strategic project costs, costs related to employer payroll taxes associated with equity awards, store closing costs, legal settlements and other legal expenses and miscellaneous costs.