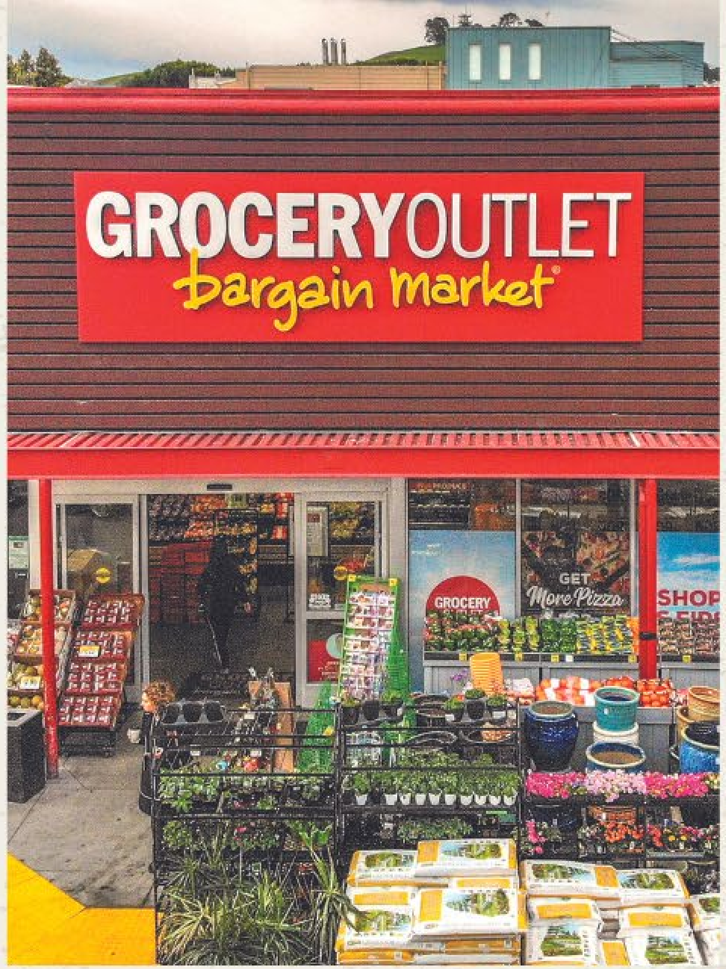
Grocery Outlet Business Overview

November 2024



Disclaimer

Forward-Looking Statements

This presentation includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this presentation other than statements of historical fact, including statements regarding the Company's future operating results and financial position, the Company's CEO search process, the Company's business strategy and plans, the integration of the Company's recent acquisition of The Bargain Barn, Inc., a Tennessee corporation, doing business as United Grocery Outlet, the Company's enterprise resource planning system upgrades and continued refinements and recent impacts, business and market trends, macroeconomic and geopolitical conditions, our private label program, and the sufficiency of the Company's cash balances, working capital and cash generated from operating, investing, and financing activities for the Company's future liquidity and capital resource needs 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; loss of key personnel or inability to attract, train and retain highly qualified personnel, including the ongoing recruitment for a permanent CEO or CFO; any significant disruption to the Company's distribution network, the operations of its distributions centers and timely receipt of inventory; inflation and other changes affecting the market prices of the products the Company sells; risks associated with newly opened or acquired stores; failure to open, relocate or remodel stores on schedule and on budget; 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; inability to maintain sufficient levels of cash flow from operations; risks associated with leasing substantial amounts of space; failure to properly integrate any acquired businesses; natural or man-made disasters, climate change, power outages, major health epidemics, pandemic outbreaks, terrorist acts, global political events or other serious catastrophic events and the concentration of the Company's business operations; failure to participate effectively in the growing online retail marketplace; unexpected costs and negative effects if the Company incurs losses not covered by insurance; difficulties associated with labor relations and shortages; failure to remediate material weakness in the Company's internal control over financial reporting; risks associated with economic conditions; competition in the retail food industry; movement of consumer trends toward private labels and away from name-brand products; risks associated with deploying the Company's own private label brands; inability to attract and retain qualified independent operators of the Company ("IOs"); failure of the IOs to successfully manage their business; failure of the IOs to repay notes outstanding to the Company; 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; material disruption to information technology systems, including risks associated with any continued impact from the Company's systems transition; failure to maintain the security of information relating to personal information or payment card data of customers, employees and suppliers; risks associated with products the Company and its IOs sell; risks associated with laws and regulations generally applicable to retailers; legal or regulatory proceedings; 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, and new risks emerge from time to time. Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, and the Company's expectations based on third-party information and projections are from sources that management believes to be reputable, 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 presentation 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. 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Market data and industry information used throughout this presentation are based on management's knowledge of the industry and the good faith estimates of management. The Company also relied, to the extent available, upon management's review of independent industry surveys and publications and other publicly available information prepared by a number of third-party sources. All of the market data and industry information used in this presentation involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. Although the Company believes that these sources are reliable, it cannot guarantee the accuracy or completeness of this information, and the Company has not independently verified this information. While the Company believes the estimated market position, market opportunity and market size information included in this presentation are generally reliable, such information, which is derived in part from management's estimates and beliefs, is inherently uncertain and imprecise. Projections, assumptions and estimates of the Company's future performance and the future performance of the industry in which the Company operates are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described above. These and other factors could cause results to differ materially from those expressed in the Company's estimates and beliefs and in the estimates prepared by independent parties.

Non-GAAP Financial Measures

In this presentation, the Company provides EBITDA, adjusted EBITDA, adjusted EBITDA margin, adjusted net income, interest coverage, 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, adjusted EBITDA, adjusted EBITDA margin and adjusted net income 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 interest coverage, 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 materials to this presentation for reconciliations to the most directly comparable GAAP financial measures. The Company has not reconciled forward-looking guidance or outlooks included in this presentation 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. The Company expects the variability of these items to have a potentially unpredictable, and a potentially significant, impact on the Company's future GAAP financial results.

Data in this presentation is generally as of the third quarter ended September 28, 2024, or for the fiscal year ended December 30, 2023, unless otherwise noted

COMPANY OVERVIEW

Grocery Outlet Is a Differentiated, High-Growth, Off-Price Retailer

DIFFERENTIATED MODEL

40% - 70%

Prices Below Conventional Retailers On Our Best Deals

5,000+

Ever-Changing SKUs Per Store Promote Treasure Hunt Experience

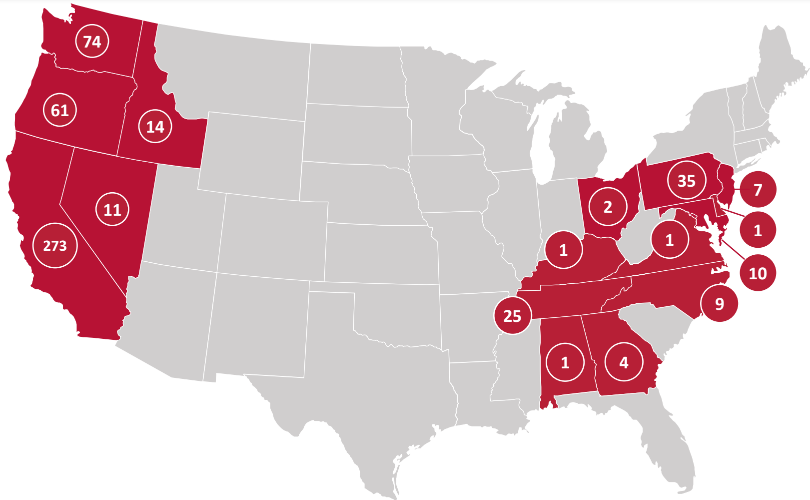
400+

Independent Operators Create Local Shopping Experience

~14,000+

Square Foot Average Store Size

ATTRACTIVE STORE BASE



10%

Long-Term Annual Store Growth Target

~4,800

Long Term National Store Potential (1)

30%

Year 4 Cash-on-Cash New Store Return Target

STRONG FINANCIAL PERFORMANCE

$4.26bn

Net Sales(2)

5.3%

Average Comparable Store Sales Growth Over Past 20 Years (3)

$230.4M

Adjusted EBITDA(2)

$79.9M

Adjusted Net Income(2)

$68.7M

Cash Balance (4)

(1) *Source: eSite*
(2) *LTM as of Q3'2024*
(3) *Fiscal year 2004 – Q3'2024*
(4) *Cash and cash equivalents balance at the end of Q3'2024*

The WOW! Shopping Experience

PRICE

- Extreme value
  - ~40% average basket savings [1]
  - ~40% - 70% savings on best deals [1]
- Distinct and proven buying model

QUALITY

- Name-brand products
- Fresh
- Natural Organic Specialty Healthy (NOSH)
- Quality guarantee
- Clean, well-merchandised stores

SERVICE

- Locally owned and operated
- Friendly, high-touch service
- Active in community
- Family-run stores
- Easy-to-shop stores

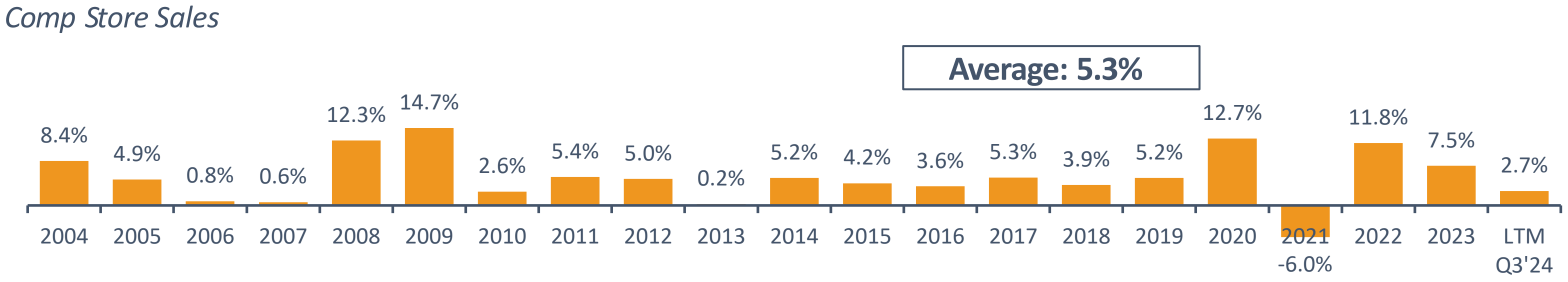
TREASURE HUNT DISCOVERY = FUN!

- Unexpected deals
- Ever-changing assortment
- Curated and localized merchandise

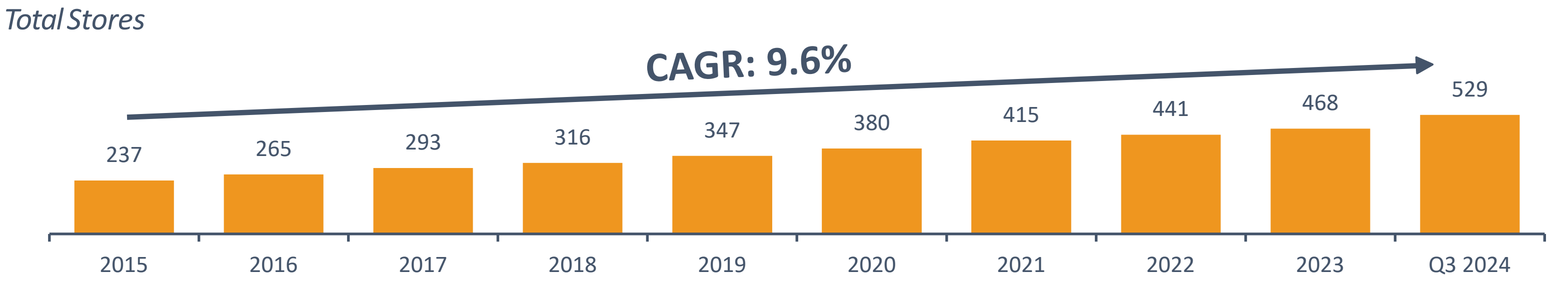
[1] Savings vs. Conventional/Discount derived from Grocery Outlet's Fiscal 2023 pricing research

Solid Growth and Consistent Margin Performance

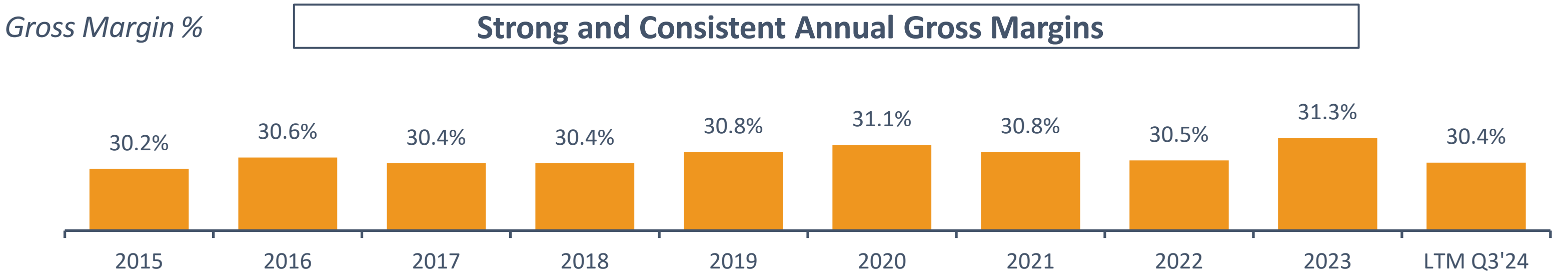
Strong Comp Performance



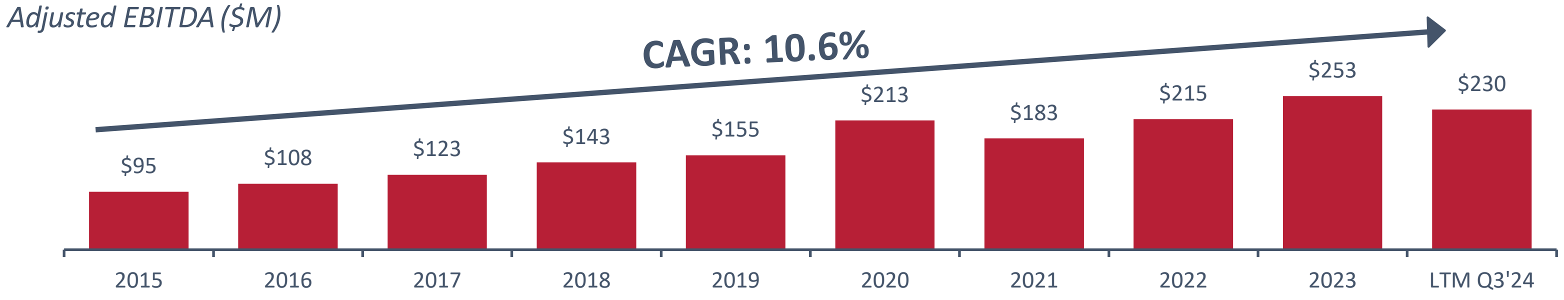
Disciplined Store Growth



Consistent Margins



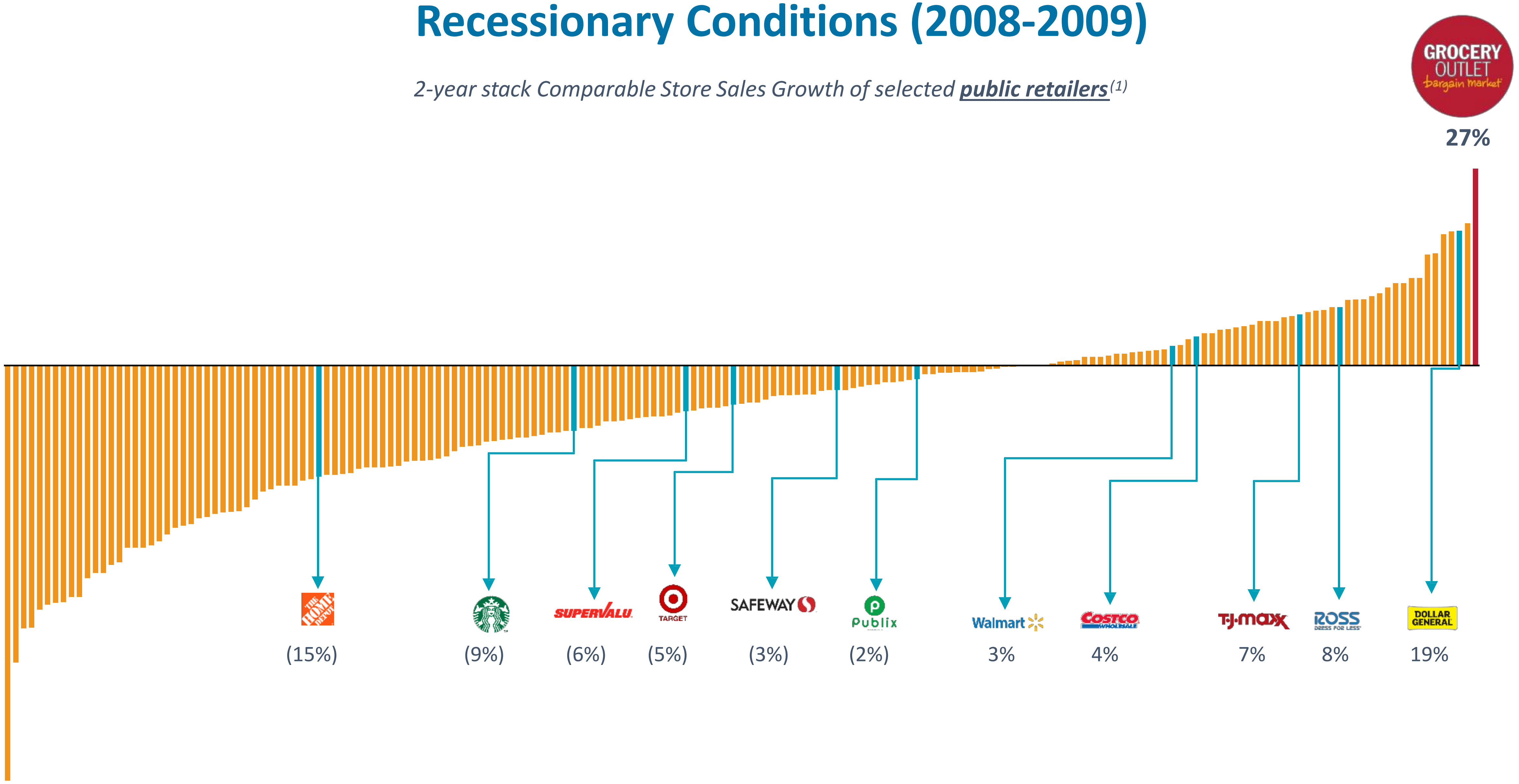
Track Record of Earnings Growth



While Each Recession is Unique, Grocery Outlet Had Strong Comparable Store Sales Growth Performance in 2008-2009

Recessionary Conditions (2008-2009)

*2-year stack Comparable Store Sales Growth of selected **public retailers**(1)*



Source: Company filings, company projections, publicly available information and FactSet. n = 184

(1) Reflects 2008 and 2009 comparable store sales growth stack for all U.S. retailers that were public during 2008 and 2009 and have reported comparable store sales growth figures for these years on FactSet.

Grocery Outlet Evolution: Over 75 Years of Delivering the WOW!

- **1946** – Jim Read Opens Cannery Sales
- **1971** – First Supplier: Del Monte
- **1973** – First IO Agreement Signed in Redmond, OR
- **1985** – Frozen & Refrigerated Introduced
- **1988** – Grocery Outlet University Launched
- **1999** – Fresh Produce Introduced
- **2003** – Fresh Meat Introduced
- **2006** – MacGregor Read & Eric Lindberg become Co-CEOs
- **2007** – NOSH Launched
- **2009** – Berkshire Partners LLP acquires a majority interest in GO
- **2011** – Wow! Reached $1B in Sales | East Coast Expansion with Acquisition of Amelia's | TLF & IFH Launched
- **2012** – Southern California Expansion
- **2013** – 200th Store Opens
- **2014** – What a DEAL Hellman & Friedman invests | Saved Customers $1B
- **2017** – Wow! Reached $2B in Sales
- **2019** – IPO Nasdaq Listed (GO)
- **2020** – What a DEAL Reached $3B in Sales | Saved Customers $2B
- **2021** – 400th Store Opens
- **2022** – First ESG Materiality Assessment & GHG Inventory
- **2023** – RJ Sheedy becomes CEO
- **2024** – What We're Loving Launched GO App | Southeast Expansion with Acquisition of United Grocery Outlet

NOSH: Natural, Organic, Specialty, or Healthy
TLF: Touching Lives Foundation
IFH: Independence from Hunger
GHG: Greenhouse gas

Our ESG Strategy

OUR MISSION

Touching Lives for the Better

OUR VALUES

Entrepreneurship • Achievement • Diversity • Fun
Integrity • Family • Service

IMPACT OUR COMMUNITIES

- Saving Customers Money
- Providing Affordable Quality Food
- Giving Back

IMPACT OUR PEOPLE

- Providing Opportunities for Operators
- Providing Opportunities for Employees

IMPACT OUR PLANET

- Reducing Food Waste
- Improving Operational Efficiency

Grocery Outlet's ESG strategy aligns with several of the United Nations Sustainable Development Goals (UN SDGs):

- 2 ZERO HUNGER
- 8 DECENT WORK AND ECONOMIC GROWTH
- 10 REDUCED INEQUALITIES
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
- 13 CLIMATE ACTION

GROCERY OUTLET bargain market
INDEPENDENCE FROM HUNGER

OVER $4.8 MILLION RAISED

The equivalent of about 10 million meals benefiting over 450 local organizations in 2024.

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INVESTMENT HIGHLIGHTS & GROWTH STRATEGIES

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Our Fundamentally Different Approach To Buying and Selling

Small Business at Scale

HOW WE BUY

- Opportunistic sourcing of quality, name-brand, fresh products
- Large, centralized purchasing team
  - Long-standing, actively managed supplier relationships
- Proactive sourcing of on-trend products and brands
- Everyday core staples to complement our WOW! offerings

HOW WE SELL

- Primarily independently operated, local, small-box stores
  - Personalized customer service
  - High community involvement
- IOs control store operations and oversee:
  - Product selection
  - Hiring, training and managing their store workers
  - Local marketing

"Out Chain the Locals, Out Local the Chains"

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Investment Highlights & Growth Strategies

Investment Highlights

Powerful customer value proposition supported by a "WOW!" experience

Flexible sourcing and distribution model that is difficult to replicate

Independent Operators: Our "small business at scale" model

Strong consumer engagement and alignment with macro trends

Attractive and consistent new store economics support whitespace

Growth Strategies

Be the First Choice for Bargain-Minded Customers Across the Country

Strengthen our core business model

Evolve our business

Expand our footprint

Flexible Sourcing and Distribution Model Anchored by Purchasing Team and Relationships

Long-Standing Suppliers…

…And New Emerging Suppliers

…Who Make Us One of Their First Calls

RELATIONSHIP

BRAND PROTECTION

EXECUTION

SCALE

Substantial Opportunity to Further Grow Opportunistic Supply

Significant Share Gain Opportunity

Ongoing Secondary Market Growth

Grocery Outlet's Differentiated Sourcing Model Delivers Great Value To Customers

Two Primary Methods

Opportunistic

- Opportunistic purchases represent **CPG excess inventory**
- GO is a **preferred CPG partner** for a non-disruptive, brand-protected sales channel
- Allows GO to **pass along significant savings to customers** while making a healthy margin

Everyday Core Staples

- When **staples, such as milk or sugar**, cannot be sourced opportunistically, GO buys from traditional suppliers
- Provides customer convenience via **a more complete product assortment**
- Products priced **at or below conventional supermarkets'** and discount competitors' everyday prices

Favorable Value Proposition vs. Other Retailers

Basket Savings

% Savings Across Store Relative to Competitors[1]

AND WE PROVIDE **EXTREME VALUE!**

AND IN AN **EASY-TO-SHOP STORE!**

Further Differentiation

CLUB STORES	BUT WITH **NO MEMBERSHIP FEE OR BULK SIZES!**
DEEP DISCOUNTERS	BUT OFFERS LEADING **NATIONAL BRANDS!**
DOLLAR STORES	ACROSS A **FULL GROCERY ASSORTMENT!**
ONLINE	BUT WITH **FRIENDLY, HIGH-TOUCH SERVICE!**

[1] *Savings vs. Conventional/Discount derived from Grocery Outlet's 2023 pricing research*

Unique Independent Operator Model Fuels Success

“Out Chain the Locals, Out Local the Chains”

GROCERY OUTLET

Operational

- Sourcing
- Initial pricing
- Recruiting and training IOs
- Real estate
- Distribution and logistics

Financial

- Own inventory (consigned to IOs)
- Regional marketing
- Rent
- Capex
- Corporate SG&A

Grocery Outlet Benefits

- Aligned economic interests
- Reduced fixed costs
- Locally driven loyalty

IO Benefits

- Autonomy
- Scale benefits
- Significant income opportunity

INDEPENDENT OPERATORS

Operational

- Merchandising
- Managing inventory
- Modify pricing
- Hiring and training store employees
- Community and customer service

Financial

- Wages
- Local marketing
- Store operating expenses
- Operating working capital
- Operating assets

Collaboration with and among IOs enables real-time feedback and best-practice sharing for continual improvement

Compelling Store Economics For Both Grocery Outlet & Independent Operators

	GO	IO
CapEx Buildout	✓	✗
Inventory/Pre-Opening	✓	✗
IO Assets/Working Capital	✗	✓

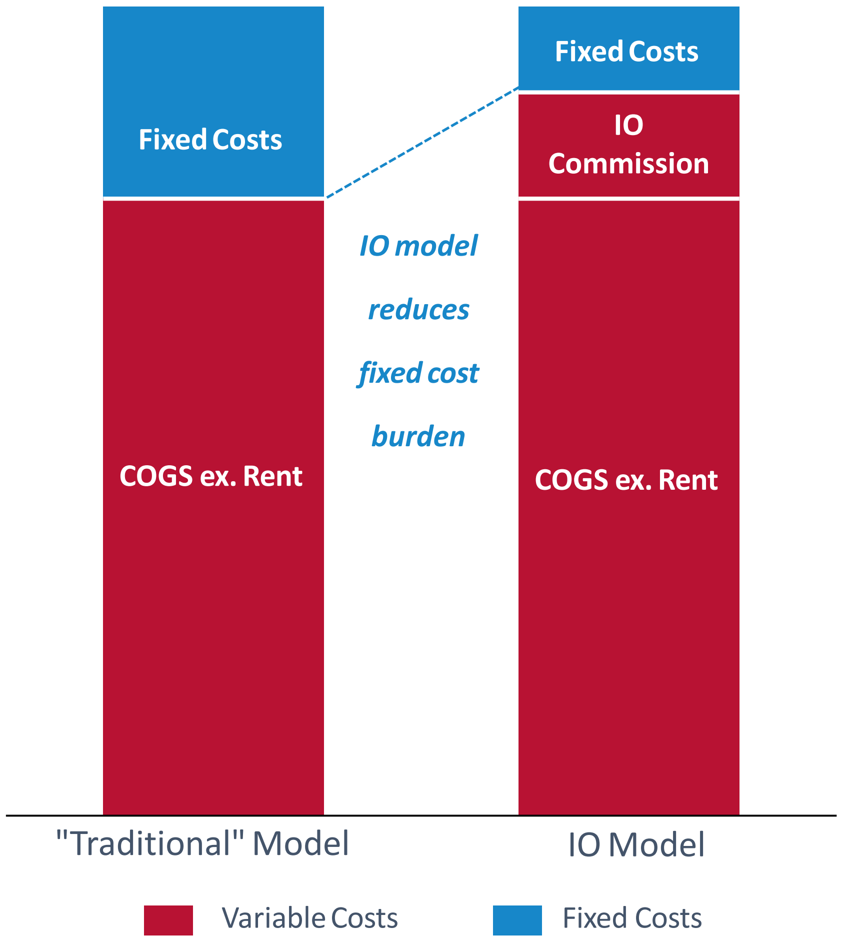
Illustrative Year-4 P&L

Sales	**$7 mil**
Gross Profit	$2 mil

	GO	IO
Share of Gross Profit	**50%**	**50%**
Wages, Taxes, Benefits	✗	✓
Occupancy	✓	✗

IO Model Reduces GO's Fixed Cost Burden

Illustrative Expense Split



Selective Independent Operator Recruiting And Rigorous Training

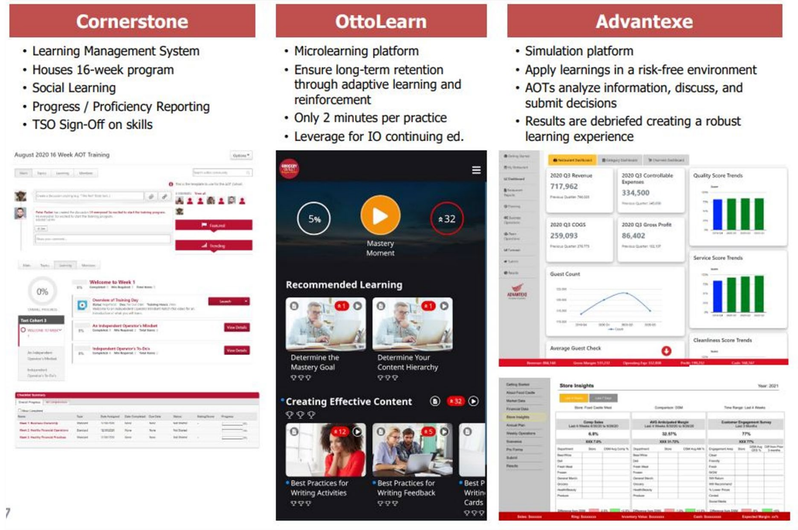
Annual Leads: ~30,000

First Contact: Phone Screen & Initial Review

Considered: On-Site Executive Interviews

Selected: 70+

Enter 6-9 Month Aspiring Operator in Training Program



Centralized Marketing Coupled With Local IO Marketing Efforts

ENTERPRISE MARKETING DRIVEN BY GROCERY OUTLET

SOCIAL MEDIA

facebook, Twitter, Pinterest, Instagram, YouTube

WEEKLY ADS

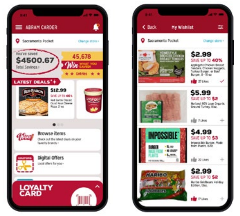
WOW! ALERTS

RADIO/CONNECTED TV

SiriusXM, Roku, Spotify, Apple tv

INFLUENCER

PERSONALIZATION



DISPLAY ADS

RADIO

TELEVISION

LOCAL MARKETING DRIVEN BY OPERATORS

IN-STORE LOCALIZATION


TARGETED PROMOTIONS

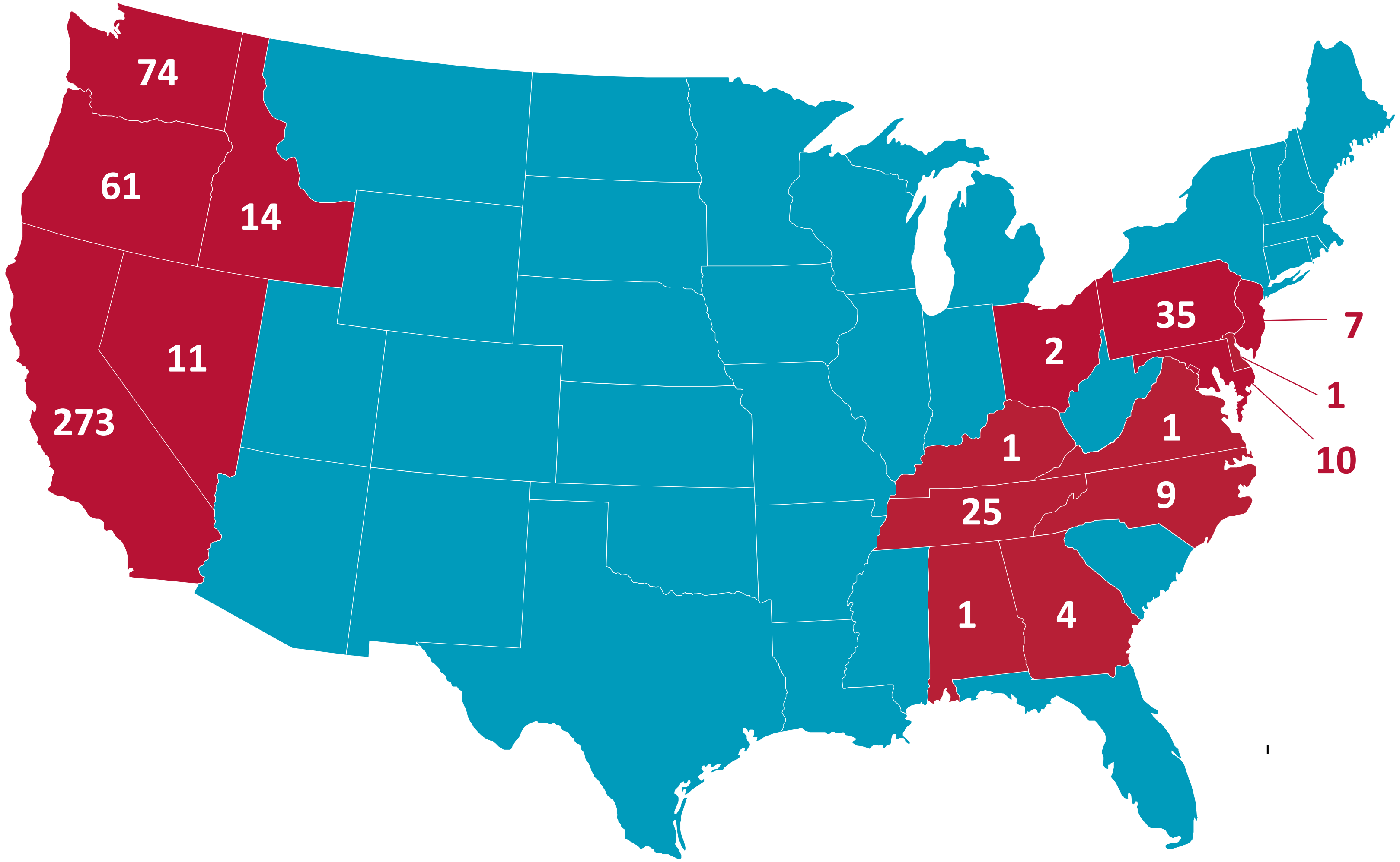

ACTIVE SOCIAL MEDIA PRESENCE

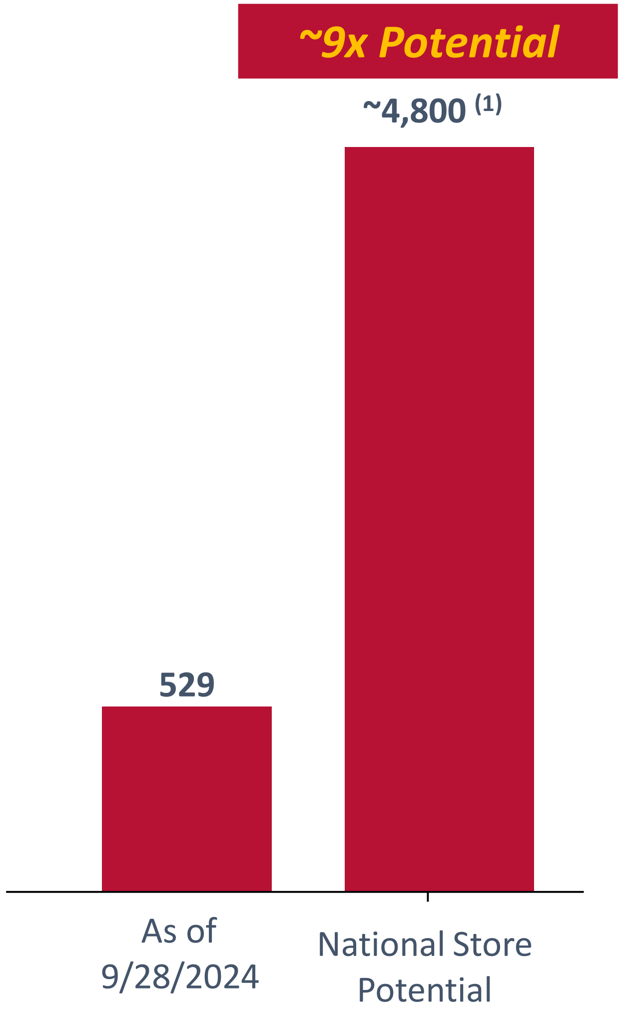

COMMUNITY INVOLVEMENT

Grocery Outlet Independence From Hunger, PTA, the Y, Skechers Performance Los Angeles Marathon, Habitat for Humanity

Significant Whitespace Opportunity

Long term market potential to establish ~4,800 stores nationally





(1) Source: eSite.

Note: Map figures as of Sept. 28, 2024.

Attractive and Historically Consistent New Store Economics

New Store Underwriting Assumptions

- We employ a blended underwriting model reflecting average economics across all urbanicities, geographies and store types
- New stores target average net cash investment of **~$2.5M**
- **4-5 year** store ramp until maturity
- Payback period of **approximately 4 years**
- Recent cohorts have **performed inline with return expectations**

Model Assumptions *(Year 4)*	**Sales**	*~$6,875*
	GO Four Wall EBITDA Contribution	*~$680*
	% Four Wall EBITDA Margin	*~10%*
	Cash-on-Cash Return	*~30%*

Note: Dollars in thousands. Cash-on-cash return defined as four-wall EBITDA divided by total initial net cash investment. Four-wall EBITDA includes store level costs such as product and distribution costs, commissions, occupancy, marketing and other costs.

We Are Winning Through Constant Investments To Continually Strengthen Our Value Proposition

Talent

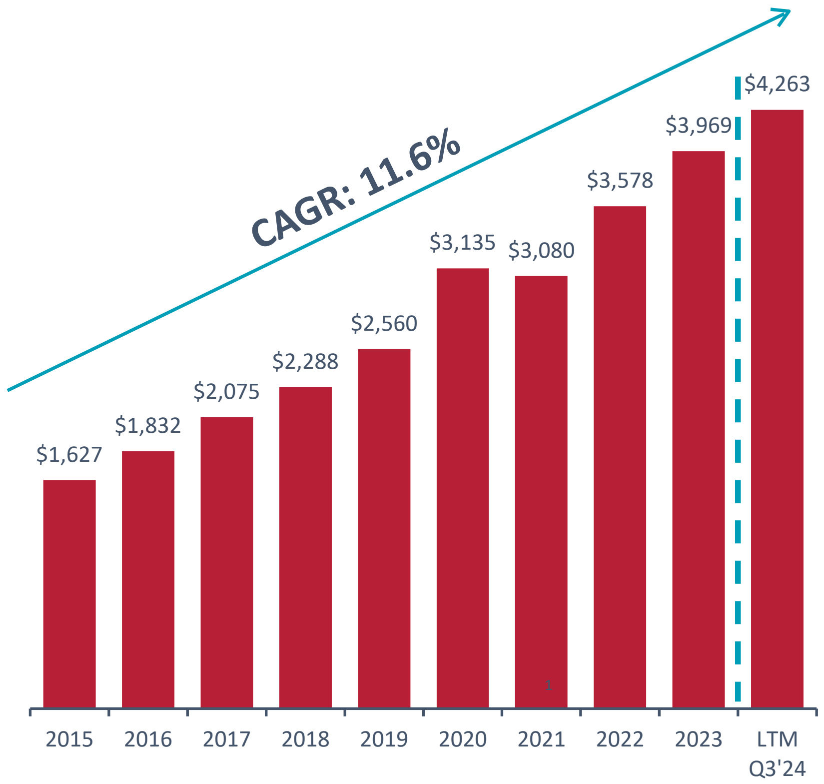
Technology

servicenow
MicroStrategy
SAP
salesforce
box
HighJump
UKG
ProLease

FINANCIAL PERFORMANCE & OUTLOOK

Historical Financial Performance

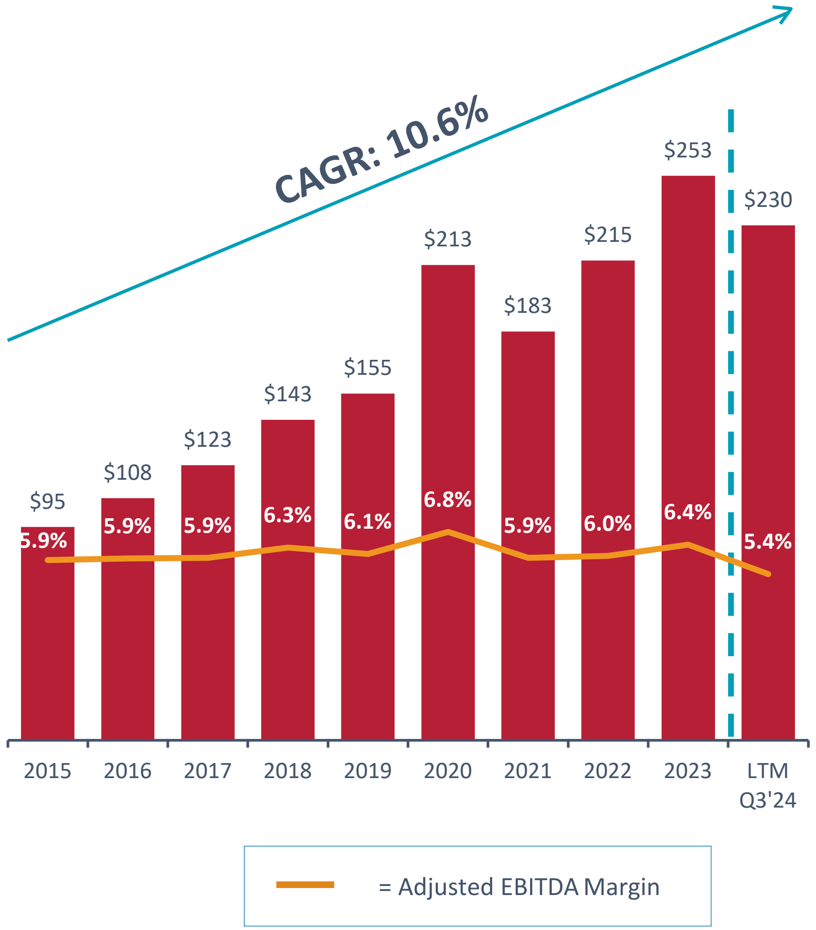
Strong and Disciplined Net Sales Growth



Stores	237	265	293	316	347	380	415	441	468	529[1]
Unit Growth	9%	12%	11%	8%	10%	10%	9%	6%	6%	16%[2]
Comp	4.2%	3.6%	5.3%	3.9%	5.2%	12.7%	-6.0%	11.8%	7.5%	2.7%[3]

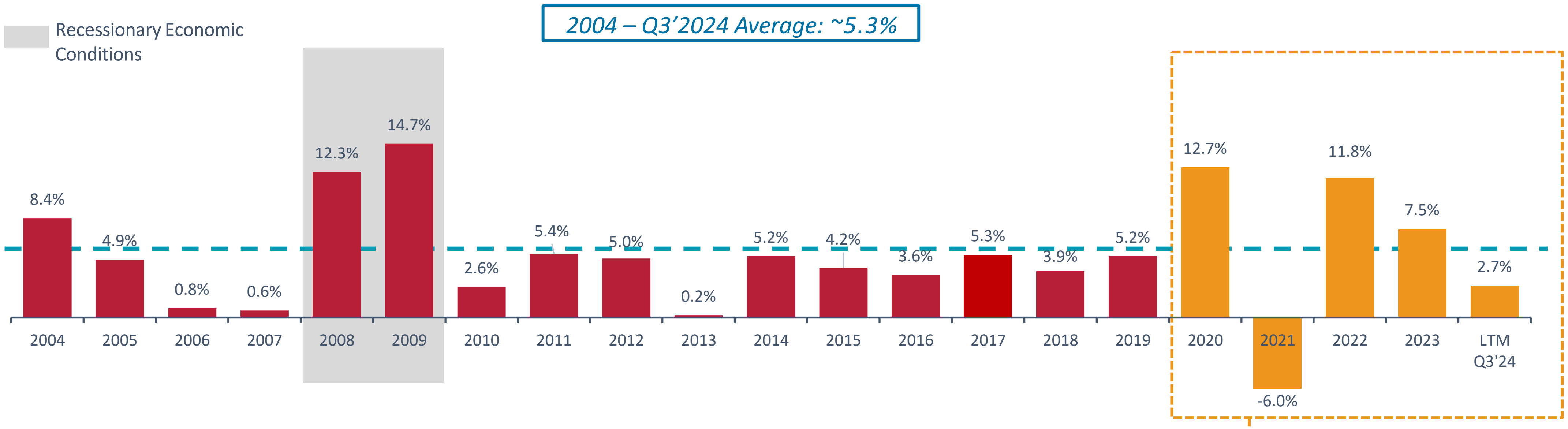
Dollars in millions.

Track Record of Adjusted EBITDA Growth

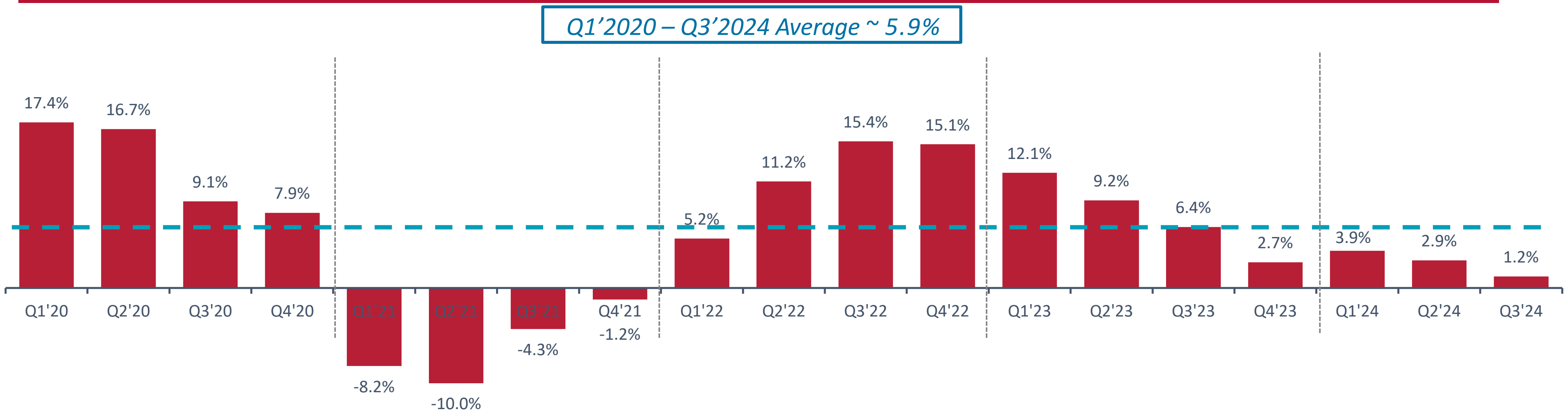


Note: Fiscal 2020 was a 53-week year. The extra week contributed $53.3 million in sales in fiscal 2020.
1. Store count reflects Q3 2024 results.
2. Unit growth is year-over-year.
3. Reflects LTM 3Q'2024 results.

Long History of Comparable Store Sales Performance Across Cycles



Q1 2020 – Q3 2024 Quarterly Comparable Store Sales Results



Q3 2024 Highlights & Fiscal 2024 Outlook

	Thirteen Weeks Ended September 28, 2024	*Y-o-Y Change*
Stores	529	16.3%
Comparable Store Sales Growth	+1.2%	+7.6% (1) 2-Year Stack
Net Sales	$1.11B	10.4%
Adj. EBITDA	$72.3M	+6.0%
Adj. Net Income	$27.9M	-10.1%

(1) *Represents 2-year stacked comparable store sales growth, which is the sum of the increase in comparable store sales, as reported, in the third quarters of fiscal 2024 and 2023.*
(2) *Includes 40 stores from the acquisition of United Grocery Outlet, which was completed on April 1, 2024.*

Q3 Highlights

- Opened 5 new stores with no store closures, ending the quarter with 529 stores in 16 states
- Comp store sales increased 1.2% on top of 6.4% last year
- Adjusted EBITDA increased 6.0% to $72.3M
- Adjusted net income decreased 10.1% to $27.9M

Fiscal 2024 Outlook

- Expect to open 66 net new stores (2)
- Net sales of slightly above $4.35B
- Comp store sales of ~+2.4%
- Adjusted EBITDA of $237 M to $242M
- Adjusted earnings per diluted share of $0.77 to $0.80

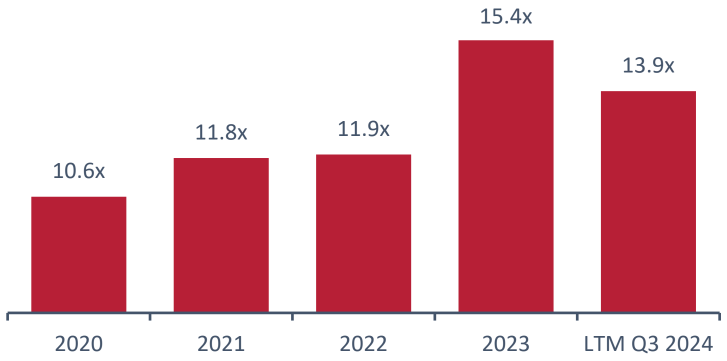
Healthy Balance Sheet with Strong Liquidity

- Reduced net leverage (1) from 5.8x pre-IPO (2) to 1.6x as of Q3'2024.
- $255.5M remaining borrowing capacity under revolving credit facility at end of Q3'2024.
- $34.4 M repurchase authority remaining under 2021 $100 M share repurchase program at the end of Q3'2024
- New 2024 $100M share repurchase program approved in Q4'24, which replaces previous share repurchase program adopted in 2021 under which $9.4 million remained available for repurchase.

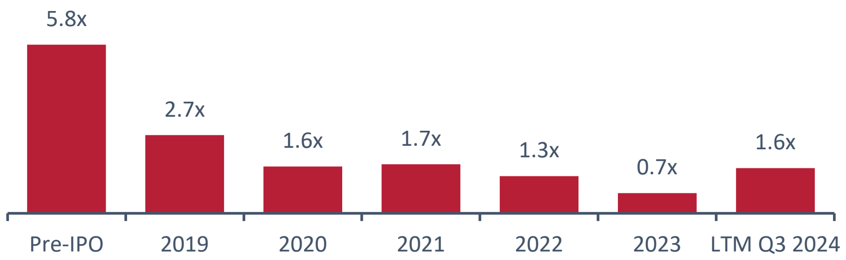
Capitalization ($ in millions)

	2022	2023	Q3 2024
Cash & Cash Equivalents	$102.7	$115.0	$68.7
Total Debt	**$379.7**	**$292.7**	**$429.3**
Net Debt	**$276.9**	**$177.7**	**$360.6**
Adj. EBITDA	**$214.7**	**$252.6**	**$230.4 (4)**
Net Debt / Adj. EBITDA (4)	**1.3x**	**0.7x**	**1.6x**

Interest Coverage (3)



Net Leverage (1)



(1) *Defined as (Total Debt – Cash) / Adj. EBITDA*
(2) *Reflects fiscal 2018. IPO in June 2019*
(3) *Defined as Adj. EBITDA / Net Interest Expense. Net interest expense excludes capitalized interest.*
(4) *Adjusted EBITDA on an LTM basis*

Long-Term Targets

Annual Unit Growth	~10%
Comparable Store Sales Growth	1 – 3% annually
Adjusted EBITDA	Stable as a % of Sales
Adjusted Net Income Growth	Mid-teens %

APPENDIX

GROCERY OUTLET bargain market®

Quarterly Adjusted EBITDA Reconciliation

	Q3 2020	Q3 2021	Q3 2022	Q3 2023	Q3 2024
Net Income (Loss)	**$40.5**	**$17.1**	**$17.5**	**$27.1**	**$24.2**
Interest expense, net	4.9	4.0	4.8	4.2	6.4
Income tax expense (benefit)	(15.0)	5.1	2.4	6.2	9.7
Depreciation and amortization expenses	14.8	18.2	20.2	21.9	27.8
EBITDA	**$45.2**	**$44.4**	**$44.8**	**$59.4**	**$68.1**
Share-based compensation expenses (1)	3.9	1.9	9.1	7.5	1.7
Loss on debt extinguishment and modification (2)	-	-	-	-	-
Asset impairment and gain or loss on disposition (3)	0.2	0.2	0.3	0.1	0.2
Acquisition and integration costs (4)	-	-	-	-	0.8
Other (5)	2.6	1.3	2.5	1.0	1.5
Adjusted EBITDA	**$51.8**	**$47.8**	**$56.8**	**$68.1**	**$72.3**
Adjusted EBITDA margin (6)	**6.8%**	**6.2%**	**6.2%**	**6.8%**	**6.5%**
Interest coverage (7)	**10.6x**	**12.1x**	**11.8x**	**16.1x**	**11.2x**

Note: Dollars in millions.

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 a recapitalization that occurred in fiscal 2018.
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 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 other non-recurring, non-cash or non-operational items, such as technology upgrade implementation costs, certain personnel-related costs, costs related to employer payroll taxes associated with equity awards, legal settlements and other legal expenses, store closing costs, strategic project costs and miscellaneous costs.
6. Adjusted EBITDA margin represents adjusted EBITDA divided by net sales.
7. Defined as adjusted EBITDA divided by net interest expense.

Quarterly Adjusted Net Income Reconciliation

	Q3 2020	Q3 2021	Q3 2022	Q3 2023	Q3 2024
Net Income (Loss)	**$40.5**	**$17.1**	**$17.5**	**$27.1**	**$24.2**
Share-based compensation expenses [1]	3.9	1.9	9.1	7.5	1.7
Loss on debt extinguishment and modification [2]	-	-	-	-	-
Asset impairment and gain or loss on disposition [3]	0.2	0.2	0.3	0.1	0.2
Acquisition and integration costs [4]	-	-	-	-	0.8
Amortization of purchase accounting assets and deferred financing costs [5]	2.9	2.9	3.0	1.4	1.4
Other [6]	2.6	1.3	2.5	1.0	1.5
Tax adjustment to normalize effective tax rate [7]	(21.9)	(0.9)	(3.2)	(3.4)	(0.6)
Tax effect of total adjustments [8]	(2.7)	(1.8)	(4.2)	(2.9)	(1.3)
Adjusted Net Income	**$25.5**	**$20.8**	**$25.1**	**$31.0**	**$27.9**

Note: Dollars in millions.

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 a recapitalization that occurred in fiscal 2018.
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 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 and property and equipment step-ups from purchase price accounting related to acquisitions, as well as the amortization of debt issuance costs.
6. Represents other non-recurring, non-cash or non-operational items, such as technology upgrade implementation costs, certain personnel-related costs, costs related to employer payroll taxes associated with equity awards, legal settlements and other legal expenses, store closing costs, strategic project costs and miscellaneous costs.
7. 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 expenses or benefits related to stock option exercises and vesting of restricted stock units and performance-based restricted stock units that are recorded in earnings as discrete items in the reporting period in which they occur.
8. 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.

Adjusted EBITDA Reconciliation

	2015	2016	2017	2018	2019	2020	2021	2022	2023	Q3 2024 LTM	***Location on P&L***
Net Income (Loss)	**$4.8**	**$10.2**	**$20.6**	**$15.9**	**$15.4**	**$106.7**	**$62.3**	**$65.1**	**$79.4**	**$51.3**	
Interest expense, net	45.9	47.1	49.7	55.4	45.9	20.0	15.6	18.0	16.4	16.6	Interest Expense
Income tax expense (benefit)	3.5	6.7	5.2	6.0	1.4	(19.6)	15.2	10.7	24.6	18.0	Income Tax
Depreciation and amortization expenses	31.2	37.2	43.2	47.1	50.1	58.1	71.1	78.3	88.0	103.6	COGS/SG&A
EBITDA	**$85.4**	**$101.2**	**$118.6**	**$124.3**	**$112.9**	**$165.2**	**$164.2**	**$172.0**	**$208.4**	**$189.4**	
Share-based compensation expenses (1)	0.2	2.9	1.7	10.4	31.4	38.1	17.6	32.6	31.1	22.4	SG&A
Loss on debt extinguishment and modification (2)	5.5	-	1.5	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)	0.9	0.5	0.5	1.3	2.0	1.7	1.2	1.2	0.5	1.0	SG&A
Acquisition and integration costs (4)	-	-	-	-	-	-	-	-	0.5	8.8	SG&A
Amortization of purchase accounting assets (5)	-	-	-	-	-	-	-	-	-	0.8	COGS
Other (6)	3.5	3.7	0.8	2.1	3.3	7.5	(0.2)	7.7	6.8	8.0	SG&A/Other Expense (Income)
Adjusted EBITDA	**$95.4**	**$108.4**	**$123.1**	**$143.4**	**$155.2**	**$212.7**	**$182.9**	**$214.7**	**$252.6**	**$230.4**	
Adjusted EBITDA margin (7)	**5.9%**	**5.9%**	**5.9%**	**6.3%**	**6.1%**	**6.8%**	**5.9%**	**6.0%**	**6.4%**	**5.4%**	
Interest coverage (8)	**2.1x**	**2.3x**	**2.5x**	**2.6x**	**3.4x**	**10.6x**	**11.8x**	**11.9x**	**15.4x**	**13.9x**	

Note: Dollars in millions.

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 a recapitalization that occurred in fiscal 2018.
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 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 acquisitions.
6. Represents other non-recurring, non-cash or non-operational items, such as technology upgrade implementation costs, certain personnel-related costs, costs related to employer payroll taxes associated with equity awards, legal settlements and other legal expenses, store closing costs, strategic project costs and miscellaneous costs.
7. Adjusted EBITDA margin represents adjusted EBITDA divided by net sales.
8. Defined as adjusted EBITDA divided by net interest expense.

Adjusted Net Income Reconciliation

	2019	2020	2021	2022	2023	Q3 2024 LTM
Net Income (Loss)	**$15.4**	**$106.7**	**$62.3**	**$65.1**	**$79.4**	**$51.3**
Share-based compensation expenses (1)	31.4	38.1	17.6	32.6	31.1	22.4
Loss on debt extinguishment and modification (2)	5.6	0.2	0.0	1.3	5.3	-
Asset impairment and gain or loss on disposition (3)	2.0	1.7	1.2	1.2	0.5	1.0
Acquisition and integration costs (4)	-	-	-	-	0.5	8.8
Amortization of purchase accounting assets and deferred financing costs (5)	11.9	11.8	11.8	10.9	5.8	6.4
Other (6)	3.3	7.5	(0.2)	7.7	6.8	8.0
Tax adjustment to normalize effective tax rate (7)	(3.6)	(44.1)	(5.9)	(10.1)	(6.4)	(3.5)
Tax effect of total adjustments (8)	(15.2)	(16.6)	(8.3)	(14.7)	(14.9)	(14.4)
Adjusted Net Income	**$50.8**	**$105.3**	**$78.6**	**$93.9**	**$108.1**	**$79.9**

Note: Dollars in millions.

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 a recapitalization that occurred in fiscal 2018.
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 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 and property and equipment step-ups from purchase price accounting related to acquisitions, as well as the amortization of debt issuance costs.
6. Represents other non-recurring, non-cash or non-operational items, such as technology upgrade implementation costs, certain personnel-related costs, costs related to employer payroll taxes associated with equity awards, legal settlements and other legal expenses, store closing costs, strategic project costs and miscellaneous costs.
7. 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 expenses or benefits related to stock option exercises and vesting of restricted stock units and performance-based restricted stock units that are recorded in earnings as discrete items in the reporting period in which they occur.
8. 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.

Net Debt Reconciliation

	2018	2019	2020	2021	2022	2023	Q1'24	Q2'24	Q3'24
Total Debt	**$857.4**	**$448.0**	**$449.2**	**$451.5**	**$379.7**	**$292.7**	**$291.0**	**$379.2**	**$429.3**
Less: cash and cash equivalents	$21.1	$28.1	$105.3	$140.1	$102.7	$115.0	$66.9	$67.1	$68.7
Net Debt	**$836.3**	**$419.9**	**$343.9**	**$311.4**	**$276.9**	**$177.7**	**$224.1**	**$312.1**	**$360.6**
Net Leverage [1]	**5.8x**	**2.7x**	**1.6x**	**1.7x**	**1.3x**	**0.7x**	**1.0x**	**1.4x**	**1.6x**

Note: Dollars in millions.

1. Defined as (Total Debt – Cash & Cash Equivalents) / LTM Adj. EBITDA.