

Non-GAAP Financial Measures

To supplement its financial statements presented on a generally accepted accounting principles (“GAAP”) basis, the Company may from time to time present certain historical and estimated non-GAAP financial measures which exclude certain special items. The presentation of these non-GAAP financial measures is not intended to be considered in isolation or as a substitute for any measure prepared in accordance with GAAP. The Company believes these measures facilitate making period-to-period comparisons and are meaningful indications of its historical and estimated operating performance. The Company’s management utilizes this non-GAAP financial information to compare the Company’s operating performance during the current fiscal year versus the comparable periods in prior year and to internally prepared projections.

Sales growth in conventional supermarket channel in Q1 2017 excluding customer contract termination

	Conventional Supermarkets
% Increase in net sales Q1 FY 2017 vs. Q1 FY 2016 on a GAAP Basis	13.5%
Adjustment to exclude net sales in the first quarter of fiscal 2016 to a customer with whom we terminated a distribution contract in the first quarter of fiscal 2016	12.8%
% increase in net sales excluding the impact of contract termination in the first quarter of fiscal 2016	26.3%

Reconciliation of GAAP operating cash flow to free cash flow

(in thousands)	13-Week Period Ended		Change
	October 29, 2016	October 31, 2015	
Net cash (used in) provided by operating activities	\$ (7,255)	\$ 5,492	
Capital expenditures	9,198	7,588	
Free cash flow	\$ (16,453)	\$ (2,096)	\$ (14,357)

Leverage as a multiple of EBITDA

(in thousands except for leverage multiple)	Rolling 12-months ended	
	October 29, 2016	July 30, 2016
Leverage as a multiple of EBITDA:		
Net Income	\$ 124,852	\$ 125,766
Depreciation and amortization	75,517	71,006
Other Expense (Income), Net	16,924	15,887
Taxes	81,768	82,456
EBITDA	\$ 299,061	\$ 295,115
Outstanding debt (1)	595,961	601,664
Leverage as a multiple of EBITDA	1.99	2.04

(1) Excludes the impact of reclassification of debt issuance costs as the Company early adopted ASU No. 2015-03 during the fourth quarter of fiscal 2016.

Free cash flow guidance

(in thousands)	Fiscal Year Ending July 29, 2017	
	Low Range	High Range
Free cash flow:		
Net cash provided by operating activities	\$ 175,000	\$ 230,000
less Capital Expenditures	(55,000)	(80,000)
Free cash flow	\$ 120,000	\$ 150,000