

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 of earliest event reported) July 30, 2025

Sprouts Farmers Market, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation or organization)

001-36029
(Commission
File Number)

32-0331600
(I.R.S. Employer
Identification No.)

5455 E. High Street, Suite 111
Phoenix, Arizona 85054
(Address of principal executive offices and zip code)

(480) 814-8016
(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 (see General Instruction A.2. below):

- 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(s)	Name of Each Exchange on Which Registered
Common Stock, \$0.001 par value	SFM	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 July 30, 2025, Sprouts Farmers Market, Inc. (the "Company") issued a press release announcing its results of operations for its second fiscal quarter ended June 29, 2025. On the same date, the Company posted on its investor relations website, located at investors.sprouts.com, a PowerPoint presentation (the "Earnings Presentation") that will be used by management during the Company's earnings conference call. A copy of the press release and the Earnings Presentation are furnished herewith as Exhibits 99.1 and 99.2, respectively, and are incorporated into this Item 2.02 by reference.

The information furnished in this Item 2.02, including Exhibits 99.1 and 99.2 attached hereto and incorporated herein, is being furnished and shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed to be incorporated by reference into any registration statement or other document filed pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

Item 7.01. Regulation FD Disclosure.

The information set forth under Item 2.02 is hereby incorporated by reference.

The Company is also furnishing in this Current Report on Form 8-K a PowerPoint presentation (the "Investor Presentation") to be used by the Company at various meetings with institutional investors or analysts. The Investor Presentation may be amended or updated at any time and from time to time through another Current Report on Form 8-K, a later company filing or other means. A copy of the Investor Presentation is furnished herewith as Exhibit 99.3 and is incorporated into this Item 7.01 by reference.

The information furnished in this Item 7.01, including Exhibits 99.1, 99.2 and 99.3, is being furnished and shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed to be incorporated by reference into any registration statement or other document filed pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

The Company does not have, and expressly disclaims, any obligation to release publicly any updates or any changes in our expectations or any change in events, conditions, or circumstances on which any forward-looking statement in the attached press release, Earnings Presentation or Investor Presentation is based.

The text of this Current Report on Form 8-K and the attached press release, Earnings Presentation and Investor Presentation are available on the Company's investor relations website located at investors.sprouts.com, although the Company reserves the right to discontinue that availability at any time.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description
99.1	Press release of Sprouts Farmers Market, Inc., dated July 30, 2025, entitled "Sprouts Farmers Market, Inc. Reports Second Quarter 2025 Results"
99.2	Sprouts Farmers Market, Inc. Presentation, dated July 30, 2025, entitled "Q2 2025 Earnings Deck"
99.3	Sprouts Farmers Market, Inc. Presentation, dated July 30, 2025, entitled "Investor Deck"
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

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

SPROUTS FARMERS MARKET, INC.

Date: July 30, 2025

By: /s/ Brandon F. Lombardi
Name: Brandon F. Lombardi
Title: Chief Legal Officer and Corporate Secretary

**Investor Contact:**

Susannah Livingston
(602) 682-1584
susannahlivingston@sprouts.com

Media Contact:

media@sprouts.com

Sprouts Farmers Market, Inc. Reports Second Quarter 2025 Results

PHOENIX, Ariz. – (Business Wire) – July 30, 2025 – Sprouts Farmers Market, Inc. (Nasdaq: SFM) today reported results for the 13-week second quarter ended June 29, 2025.

"We are pleased with our excellent results for the second quarter," said Jack Sinclair, chief executive officer of Sprouts Farmers Market. "Our dedicated team members have consistently focused on understanding and meeting the needs of our target customers. Our investments in operations, self-distribution, customer personalization, and team member development all set the stage for exciting future growth."

Second Quarter Highlights:

- **Net sales** totaled \$2.2 billion; a 17% increase from the same period in 2024
- **Comparable store sales** growth of 10.2%
- **Diluted earnings per share** of \$1.35; compared to diluted earnings per share of \$0.94 in the same period in 2024
- **Opened 12 new stores**, resulting in **455 stores in 24 states** as of June 29, 2025

Leverage and Liquidity in Second Quarter 2025

- Ended the quarter with \$261 million in **cash and cash equivalents** and zero balance on its \$700 million revolving credit facility
- **Repurchased 0.5 million shares of common stock** for a total investment of \$73 million, excluding excise tax
- Generated **cash from operations** of \$410 million and invested \$138 million in **capital expenditures**, net of landlord reimbursement, year-to-date thru June 29, 2025

Third Quarter and Full-Year 2025 Outlook

The following provides information on our third quarter 2025 outlook:

- **Comparable store sales growth:** 6.0% to 8.0%
- **Diluted earnings per share:** \$1.12 to \$1.16

The following provides information on our full-year 2025 outlook:

- **Net sales growth:** 14.5% to 16.0%
- **Comparable store sales growth:** 7.5% to 9.0%
- **EBIT:** \$675 million to \$690 million
- **Diluted earnings per share:** \$5.20 to \$5.32
- **Unit growth:** At least 35 new stores
- **Capital expenditures (net of landlord reimbursements):** \$230 million to \$250 million

Second Quarter 2025 Conference Call

Sprouts will hold a conference call at 5:00 p.m. Eastern Time on Wednesday, July 30, 2025, during which Sprouts executives will further discuss second quarter 2025 financial results.

A webcast of the conference call will be available through Sprouts' investor relations webpage, accessible via the following link. Participants should register on the website approximately ten minutes prior to the start of the webcast.

A webcast replay will be available at approximately 8:00 p.m. Eastern Time on July 30, 2025. This can be accessed with the following link.

Important Information Regarding Outlook

There is no guarantee that Sprouts will achieve its projected financial expectations, which are based on management estimates, currently available information and assumptions that management believes to be reasonable. These expectations are inherently subject to significant economic, competitive and other uncertainties and contingencies, many of which are beyond the control of management. See "Forward-Looking Statements" below.

Forward-Looking Statements

Certain statements in this press release are forward-looking as defined in the Private Securities Litigation Reform Act of 1995. Any statements contained herein that are not statements of historical fact (including, but not limited to, statements to the effect that Sprouts Farmers Market or its management "anticipates," "plans," "estimates," "expects," or "believes," or the negative of these terms and other similar expressions) should be considered forward-looking statements, including, without limitation, statements regarding the company's outlook, growth, opportunities and long-term strategy. These statements involve certain risks and uncertainties that may cause actual results to differ materially from expectations as of the date of this release. These risks and uncertainties include, without limitation, the company's ability to execute on its long-term strategy; the company's ability to successfully compete in its competitive industry; the company's ability to successfully open new stores; the company's ability to manage its growth; the company's ability to maintain or improve its operating margins; the company's ability to identify and react to trends in consumer preferences; product supply disruptions; equipment supply disruptions; general economic conditions that impact consumer spending or result in competitive responses; accounting standard changes; potential inflationary and/or deflationary trends; tariffs; and other factors as set forth from time to time in the company's Securities and Exchange Commission filings, including, without limitation, the company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. The company intends these forward-looking statements to speak only as of the time of this release and does not undertake to update or revise them as more information becomes available, except as required by law.

Corporate Profile

True to its farm-stand heritage, Sprouts offers a unique grocery experience featuring an open layout with fresh produce at the heart of the store. Sprouts inspires wellness naturally with a carefully curated assortment of better-for-you products paired with purpose-driven people. The healthy grocer continues to bring the latest in wholesome, innovative products made with lifestyle-friendly ingredients such as organic, plant-based and gluten-free. Headquartered in Phoenix, and one of the largest and fastest growing specialty retailers of fresh, natural and organic food in the United States, Sprouts employs approximately 35,000 team members and operates more than 450 stores in 24 states nationwide. To learn more about Sprouts, and the good it brings communities, visit sprouts.com/about/.

SPROUTS FARMERS MARKET, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	Thirteen weeks ended		Twenty-six weeks ended	
	June 29, 2025	June 30, 2024	June 29, 2025	June 30, 2024
Net sales	\$ 2,220,602	\$ 1,893,519	\$ 4,457,038	\$ 3,777,327
Cost of sales	1,358,002	1,175,154	2,708,075	2,336,649
Gross profit	862,600	718,365	1,748,963	1,440,678
Selling, general and administrative expenses	645,127	556,367	1,268,353	1,096,138
Depreciation and amortization (exclusive of depreciation included in cost of sales)	36,606	31,489	71,705	63,721
Store closure and other costs, net	1,511	3,192	3,217	5,236
Income from operations	179,356	127,317	405,688	275,583
Interest (income) expense, net	(431)	(139)	(1,355)	679
Income before income taxes	179,787	127,456	407,043	274,904
Income tax provision	46,084	32,167	93,314	65,515
Net income	<u>\$ 133,703</u>	<u>\$ 95,289</u>	<u>\$ 313,729</u>	<u>\$ 209,389</u>
Net income per share:				
Basic	\$ 1.37	\$ 0.95	\$ 3.19	\$ 2.08
Diluted	\$ 1.35	\$ 0.94	\$ 3.16	\$ 2.06
Weighted average shares outstanding:				
Basic	97,858	100,460	98,198	100,765
Diluted	<u>98,774</u>	<u>101,196</u>	<u>99,259</u>	<u>101,647</u>

SPROUTS FARMERS MARKET, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

	June 29, 2025	December 29, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 261,404	\$ 265,159
Accounts receivable, net	61,550	30,901
Inventories	351,111	343,329
Prepaid expenses and other current assets	35,263	36,131
Total current assets	709,328	675,520
Property and equipment, net of accumulated depreciation	922,966	895,189
Operating lease assets, net	1,543,865	1,466,903
Intangible assets	208,180	208,094
Goodwill	381,750	381,750
Other assets	17,139	13,243
Total assets	\$ 3,783,228	\$ 3,640,699
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 248,980	\$ 213,414
Accrued liabilities	223,677	216,842
Accrued salaries and benefits	85,115	97,991
Accrued income tax	—	—
Current portion of operating lease liabilities	161,818	150,400
Current portion of finance lease liabilities	1,397	1,321
Total current liabilities	720,987	679,968
Long-term operating lease liabilities	1,586,088	1,520,272
Long-term debt and finance lease liabilities	6,528	7,248
Other long-term liabilities	37,125	38,259
Deferred income tax liability	76,000	73,059
Total liabilities	2,426,728	2,318,806
Commitments and contingencies		
Stockholders' equity:		
Undesignated preferred stock; \$0.001 par value; 10,000,000 shares authorized, no shares issued and outstanding	—	—
Common stock, \$0.001 par value; 200,000,000 shares authorized, 97,768,860 shares issued and outstanding, June 29, 2025; 99,255,036 shares issued and outstanding, December 29, 2024	98	99
Additional paid-in capital	823,766	808,140
Retained earnings	532,636	513,654
Total stockholders' equity	1,356,500	1,321,893
Total liabilities and stockholders' equity	\$ 3,783,228	\$ 3,640,699

SPROUTS FARMERS MARKET, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(IN THOUSANDS)

	Twenty-six weeks ended	
	June 29, 2025	June 30, 2024
Operating activities		
Net income	\$ 313,729	\$ 209,389
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization expense	75,264	67,756
Operating lease asset amortization	70,568	65,489
Share-based compensation	14,403	13,266
Deferred income taxes	2,941	(396)
Other non-cash items	2,712	2,189
Changes in operating assets and liabilities, net of effects from acquisition:		
Accounts receivable	21,227	18,746
Inventories	(7,782)	(2,380)
Prepaid expenses and other current assets	(719)	13,947
Other assets	(2,529)	(125)
Accounts payable	5,664	(12,914)
Accrued liabilities	10,108	24,081
Accrued salaries and benefits	(12,877)	(5,095)
Operating lease liabilities	(83,113)	(83,952)
Other long-term liabilities	741	1,294
Cash flows from operating activities	<u>410,337</u>	<u>311,295</u>
Investing activities		
Purchases of property and equipment	(120,319)	(108,925)
Cash flows used in investing activities	<u>(120,319)</u>	<u>(108,925)</u>
Financing activities		
Payments on revolving credit facilities	—	(125,000)
Payments on finance lease liabilities	(644)	(542)
Repurchase of common stock	(292,223)	(104,488)
Payments of excise tax on repurchases of common stock	(2,091)	—
Proceeds from exercise of stock options	1,224	3,265
Cash flows used in financing activities	<u>(293,734)</u>	<u>(226,765)</u>
Decrease in cash, cash equivalents, and restricted cash	(3,716)	(24,395)
Cash, cash equivalents, and restricted cash at beginning of the period	267,213	203,870
Cash, cash equivalents, and restricted cash at the end of the period	<u>\$ 263,497</u>	<u>\$ 179,475</u>

Non-GAAP Financial Measures

In addition to reporting financial results in accordance with accounting principles generally accepted in the United States ("GAAP"), the company presents EBITDA and EBIT. These measures are not in accordance with, and are not intended as alternatives to, GAAP. The company's management believes that this presentation provides useful information to management, analysts and investors regarding certain additional financial and business trends relating to its results of operations and financial condition. In addition, management uses these measures for reviewing the financial results of the company, and certain of these measures may be used as components of incentive compensation.

The company defines EBITDA as net income before interest expense, provision for income tax, and depreciation, amortization and accretion. The company defines EBIT as net income before interest expense and provision for income tax.

Non-GAAP measures are intended to provide additional information only and do not have any standard meanings prescribed by GAAP. Use of these terms may differ from similar measures reported by other companies. Because of their limitations, non-GAAP measures should not be considered as a measure of discretionary cash available to use to reinvest in the growth of the company's business, or as a measure of cash that will be available to meet the company's obligations. Each non-GAAP measure has its limitations as an analytical tool, and they should not be considered in isolation or as a substitute for analysis of the company's results as reported under GAAP.

The following table shows a reconciliation of EBIT and EBITDA to net income for the thirteen and twenty-six weeks ended June 29, 2025 and June 30, 2024:

SPROUTS FARMERS MARKET, INC. AND SUBSIDIARIES
NON-GAAP MEASURE RECONCILIATION
(UNAUDITED)
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	Thirteen weeks ended		Twenty-six weeks ended	
	June 29, 2025	June 30, 2024	June 29, 2025	June 30, 2024
Net income	\$ 133,703	\$ 95,289	\$ 313,729	\$ 209,389
Income tax provision	46,084	32,167	93,314	65,515
Interest (income) expense, net	(431)	(139)	(1,355)	679
Earnings before interest and taxes (EBIT)	179,356	127,317	405,688	275,583
Depreciation, amortization and accretion	38,444	33,234	75,264	67,756
EBITDA	\$ 217,800	\$ 160,551	\$ 480,952	\$ 343,339

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Source: Sprouts Farmers Market, Inc
Phoenix, AZ
7/30/25

Sprouts Farmers Market

Q2 2025 Earnings Deck



July 30, 2025



Forward-Looking Statements

Certain statements in this presentation are forward-looking as defined in the Private Securities Litigation Reform Act of 1995. Any statements contained herein that are not statements of historical fact (including, but not limited to, statements to the effect that Sprouts Farmers Market or its management "anticipates," "plans," "estimates," "expects," or "believes," or the negative of these terms and other similar expressions) should be considered forward-looking statements, including, without limitation, statements regarding the company's outlook, growth, opportunities and long-term strategy. These statements involve certain risks and uncertainties that may cause actual results to differ materially from expectations as of the date of this release. These risks and uncertainties include, without limitation, the company's ability to execute on its long-term strategy; the company's ability to successfully compete in its competitive industry; the company's ability to successfully open new stores; the company's ability to manage its growth; the company's ability to maintain or improve its operating margins; the company's ability to identify and react to trends in consumer preferences; product supply disruptions; equipment supply disruptions; general economic conditions that impact consumer spending or result in competitive responses; accounting standard changes; potential inflationary and/or deflationary trends; tariffs; and other factors as set forth from time to time in the company's Securities and Exchange Commission filings, including, without limitation, the company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. The company intends these forward-looking statements to speak only as of the time of this release and does not undertake to update or revise them as more information becomes available, except as required by law.

Non-GAAP Financial Measures

We refer to adjusted gross profit, adjusted gross margin, EBIT, adjusted EBIT, adjusted EBIT Margin, and adjusted diluted earnings per share, each of which is a Non-GAAP Financial Measure. These measures are not prepared in accordance with, and are not intended as alternatives to, generally accepted accounting principles in the United States, or GAAP. The Company's management believes that such measures provide useful information to management, analysts and investors regarding certain additional financial and business trends relating to its results of operations and financial condition. In addition, management uses these measures for reviewing the Company's financial results, and certain of these measures may be used as components of incentive compensation.

The Company defines adjusted gross profit as gross profit, excluding the impact of special items. Adjusted gross margin reflects adjusted gross profit divided by net sales for the applicable period. EBIT is defined as net income before interest expense and provision for income tax, and adjusted EBIT as EBIT, excluding the impact of special items. Adjusted EBIT Margin reflects adjusted EBIT, divided by net sales for the applicable period. The Company defines adjusted diluted earnings per share as diluted earnings per share excluding the impact of special items.

Non-GAAP measures are intended to provide additional information only and do not have any standard meanings prescribed by GAAP. Use of these terms may differ from similar measures reported by other companies. Because of their limitations, non-GAAP measures should not be considered as a measure of discretionary cash available to use to reinvest in the growth of the Company's business, or as a measure of cash that will be available to meet the Company's obligations. Each non-GAAP measure has its limitations as an analytical tool, and you should not consider them in isolation or as a substitute for analysis of the Company's results as reported under GAAP.

To the extent forward looking non-GAAP financial measures are provided herein, they are not reconciled to comparable forward-looking GAAP measures due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliation.

Second Quarter 2025 Highlights



Net Sales	+17%
Comps ⁽¹⁾	+10.2%
New Store Openings	12
Diluted EPS	\$1.35
EPS Growth ⁽²⁾	+44%
Cash Generation	\$111M
Share Repurchases ⁽³⁾	\$73M



1. Comparable Store Sales
2. Reflects comparison of Q2 25 diluted EPS to Q2 24 diluted EPS
3. Excluding excise tax

YTD 2025 Highlights



Net Sales	+18%
New Store Openings	15
Cash Generation YTD	\$410M
Share Repurchases ⁽¹⁾	\$292M

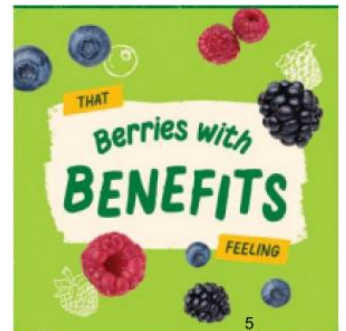


1. Excluding excise tax

Second Quarter Sales Drivers



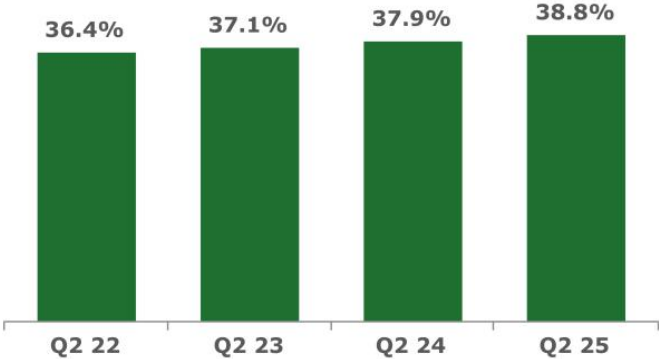
- Balanced performance across categories, channels and geographies
- Customers drawn to quality, fresh, innovative products rooted in healthy attributes
- Compelling comparable sales in recent vintages
- Traffic driving majority of comp
- E-commerce growth across all partners
- Tailwinds from healthy living & wellness trends



Structurally Improved Margin Profile



GROSS MARGIN % ⁽¹⁾



EBIT & EBIT MARGIN % ⁽²⁾
(\$ in mm)



⁽¹⁾ Q2 23 gross margin is on an adjusted basis. See the Appendix to this presentation for a reconciliation of gross margin to adjusted gross margin.
⁽²⁾ Q2 23 EBIT and EBIT margin are presented on an adjusted basis. See the Appendix to this presentation for a reconciliation of EBIT and EBIT margin to adjusted EBIT and adjusted EBIT margin.

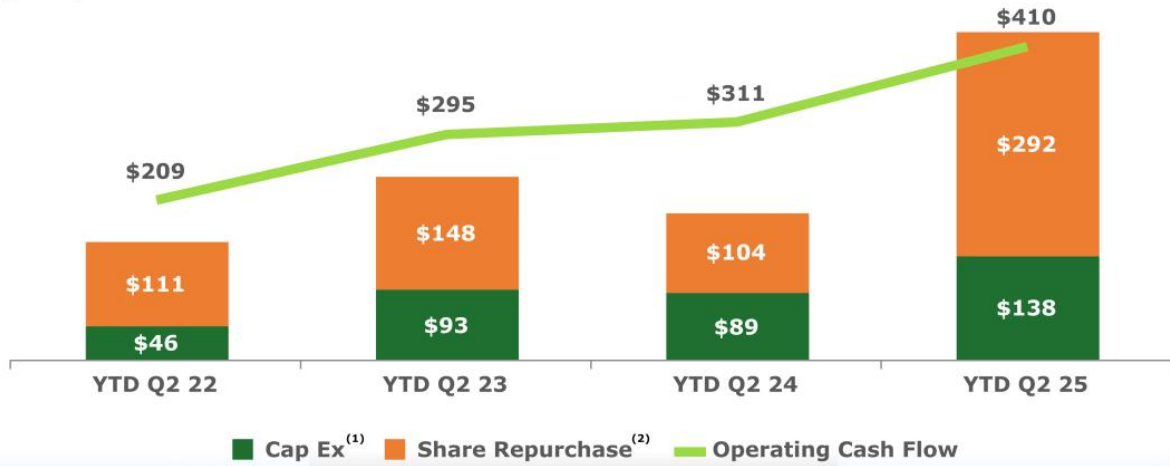


Strong Balance Sheet, Robust Cash Flows

Self Fund our Growth and Deliver Shareholder Value Through Ongoing Share Repurchase



(\$ in mm)



- 1. Capital expenditures are net of landlord reimbursement
- 2. Excluding excise tax

SPROUTS
FARMERS MARKET

WELLNESS



Full-Year 2025 Outlook

Total sales growth of 14.5% to 16.0%

Comp sales growth of 7.5% to 9.0%

Expect to open at least 35 new stores

Earnings before interest & taxes (EBIT) \$675 million to \$690 million

Diluted earnings per share (EPS) \$5.20 to \$5.32

Capex (net of landlord reimbursement) \$230 million to \$250 million

Third Quarter 2025: Comp sales growth of 6.0% to 8.0% and diluted EPS \$1.12 to \$1.16

Appendix



Appendix



The following table shows a reconciliation of adjusted gross margin to gross margin, EBIT and adjusted EBIT to net income, adjusted EBIT margin to EBIT margin, as well as a reconciliation of adjusted net income and adjusted diluted earnings per share to net income and diluted earnings per share for the fiscal quarters ended June 29, 2025, June 30, 2024, July 2, 2023 and July 3, 2022

SPROUTS FARMERS MARKET, INC. AND SUBSIDIARIES
NON-GAAP MEASURE RECONCILIATION
(UNAUDITED)
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	Thirteen Weeks Ended June 29, 2025	Thirteen Weeks Ended June 30, 2024	Thirteen Weeks Ended July 2, 2023	Thirteen Weeks Ended July 3, 2022
Net Sales	\$ 2,220,602	\$ 1,893,519	\$ 1,692,247	\$ 1,595,482
Gross Profit	\$ 862,600	\$ 718,365	\$ 625,972	\$ 580,357
Special Items	—	—	1,653 ⁽¹⁾	—
Adjusted gross profit	<u>862,600</u>	<u>718,365</u>	<u>627,625</u>	<u>580,357</u>
Gross margin	38.8 %	37.9 %	37.0 %	36.4 %
Adjusted gross margin	38.8 %	37.9 %	37.1 %	36.4 %
Net Income	\$ 133,703	\$ 95,289	\$ 67,334	\$ 61,997
Income tax provision	46,084	32,167	22,142	21,855
Interest (income) expense, net	(431)	(139)	2,140	2,658
Earnings before interest and taxes (EBIT)	179,356	127,317	91,616	86,510
Special Items	—	—	8,115 ⁽²⁾	—
Adjusted EBIT	<u>\$ 179,356</u>	<u>\$ 127,317</u>	<u>\$ 99,731</u>	<u>\$ 86,510</u>
EBIT Margin	8.1 %	6.7 %	5.4 %	5.4 %
Adjusted EBIT Margin	8.1 %	6.7 %	5.9 %	5.4 %
Net Income	\$ 133,703	\$ 95,289	\$ 67,334	\$ 61,997
Special Items, net of tax	—	—	5,971 ⁽²⁾	—
Adjusted Net income	<u>\$ 133,703</u>	<u>\$ 95,289</u>	<u>\$ 73,305</u>	<u>\$ 61,997</u>
Diluted EPS	\$ 1.35	\$ 0.94	\$ 0.65	\$ 0.57
Adjusted Diluted EPS	\$ 1.35	\$ 0.94	\$ 0.71	\$ 0.57
Diluted Weighted Average Shares Outstanding	98,774	101,196	103,514	109,619

(1) For the thirteen weeks ended July 2, 2023, special items included approximately \$2 million in cost of sales related to store closures and our supply chain transition.

(2) For the thirteen weeks ended July 2, 2023, special items included approximately \$4 million in selling, general and administrative expenses related to store closures, our supply chain transition and acquisition related costs, \$2 million in Depreciation and amortization (exclusive of depreciation in cost of sales) for accelerated depreciation in connection with store closures and \$2 million in cost of sales related to store closures and our supply chain transition. After-tax impact includes the tax benefit on the pre-tax charge.

THANK YOU!



SPROUTS FARMERS MARKET

Investor Deck



July 2025



Forward-Looking Statements

Certain statements in this presentation are forward-looking as defined in the Private Securities Litigation Reform Act of 1995. Any statements contained herein that are not statements of historical fact (including, but not limited to, statements to the effect that Sprouts Farmers Market, Inc. (the "Company") or its management "anticipates," "plans," "estimates," "expects," or "believes," or the negative of these terms and other similar expressions) should be considered forward-looking statements, including, without limitation, statements regarding the Company's outlook, growth, opportunities and long-term strategy. These statements involve certain risks and uncertainties that may cause actual results to differ materially from expectations as of the date of this presentation. These risks and uncertainties include, without limitation, the Company's ability to execute on its long-term strategy; the Company's ability to successfully compete in its competitive industry; the Company's ability to successfully open new stores; the Company's ability to manage its growth; the Company's ability to maintain or improve its operating margins; the Company's ability to identify and react to trends in consumer preferences; product supply disruptions; equipment supply disruptions; general economic conditions that impact consumer spending or result in competitive responses; accounting standard changes; potential inflationary and/or deflationary trends; tariffs; and other factors as set forth from time to time in the Company's Securities and Exchange Commission filings, including, without limitation, the Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. The Company intends these forward-looking statements to speak only as of the time of this presentation and does not undertake to update or revise them as more information becomes available, except as required by law.

Non-GAAP Financial Measures

We refer to adjusted gross profit, adjusted gross margin, EBIT, adjusted EBIT, adjusted EBIT Margin, and adjusted diluted earnings per share, each of which is a Non-GAAP Financial Measure. These measures are not prepared in accordance with, and are not intended as alternatives to, generally accepted accounting principles in the United States, or GAAP. The Company's management believes that such measures provide useful information to management, analysts and investors regarding certain additional financial and business trends relating to its results of operations and financial condition. In addition, management uses these measures for reviewing the Company's financial results, and certain of these measures may be used as components of incentive compensation.

The Company defines adjusted gross profit as gross profit, excluding the impact of special items. Adjusted gross margin reflects adjusted gross profit divided by net sales for the applicable period. EBIT is defined as net income before interest expense and provision for income tax, and adjusted EBIT as EBIT, excluding the impact of special items. Adjusted EBIT Margin reflects adjusted EBIT, divided by net sales for the applicable period. The Company defines adjusted diluted earnings per share as diluted earnings per share excluding the impact of special items.

Non-GAAP measures are intended to provide additional information only and do not have any standard meanings prescribed by GAAP. Use of these terms may differ from similar measures reported by other companies. Because of their limitations, non-GAAP measures should not be considered as a measure of discretionary cash available to use to reinvest in the growth of the Company's business, or as a measure of cash that will be available to meet the Company's obligations. Each non-GAAP measure has its limitations as an analytical tool, and you should not consider them in isolation or as a substitute for analysis of the Company's results as reported under GAAP.

To the extent forward looking non-GAAP financial measures are provided herein, they are not reconciled to comparable forward-looking GAAP measures due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliation.

Unless otherwise indicated, information included in this presentation is as of our 2024 fiscal year ended December 29, 2024.

OUR PURPOSE

We help People Live and Eat Better



SPROUTS' LONG-TERM STRATEGY



OUR PURPOSE

WE HELP PEOPLE LIVE AND EAT BETTER

DELIVER ON KEY FINANCIAL METRICS

SALES GROWTH

EARNINGS GROWTH

STORE EXPANSION

EXPANDING ROIC

OUR STRATEGY

WIN WITH TARGET CUSTOMERS

- Win health attributes, quality & fresh
- Innovation leader via Sprouts Brand & Foraging
- Service-driven store experience
- Build omni-channel experience

CUSTOMER ENGAGEMENT & PERSONALIZATION

- Deepen understanding of target customers
- Create value via personalization & loyalty
- Grow awareness & acquisition

MARKET EXPANSION

- Add new stores, markets
- More efficient, small box format to de-risk our growth
- Accelerate new store performance

CREATE AN ADVANTAGED SUPPLY CHAIN

- Own and improve fresh distribution
- Network expansion & efficiency
- Increase local offering

INVEST IN TECHNOLOGY FOR SCALEABLE GROWTH

INSPIRE AND ENGAGE OUR TALENT TO MAKE SPROUTS A BEST PLACE TO WORK



WHY INVEST IN SPROUTS FARMERS MARKET?



DIFFERENTIATED ASSORTMENT

- Foraging for Innovation
- High-quality Sprouts Brand
- Curated & differentiated products



TARGET CUSTOMER FOCUS

- Attribute-driven
- Craves health & wellness
- Engagement opportunity



UNIQUE STORE EXPERIENCE

- Produce at heart of store
- Friendly & knowledgeable teams
- Small stores – easy to shop
- Omnichannel option provides access



INCREDIBLE GROWTH OPPORTUNITY

- Plenty of white space
- Advantaged supply chain adding capacity for scale



TEAMS & CULTURE

- Strong executive team
- Talent engine
- Commitment to community & planet



HEALTHY FINANCIALS

- Strong box economics
- Structurally improved margins
- Robust cash flow
- Expanding ROIC

DIFFERENTIATED ASSORTMENT

Foraging for Innovation



- Innovation Center showcases new items monthly
- More than **7,100 new items** introduced in 2024

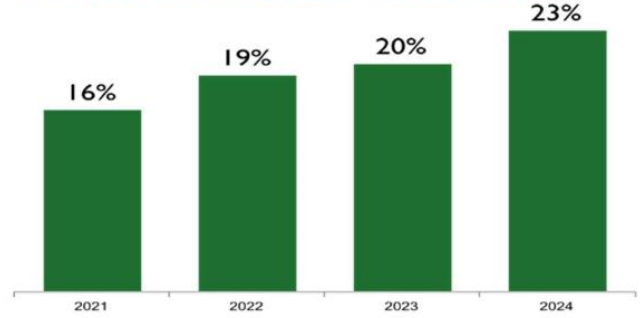


DIFFERENTIATED ASSORTMENT

High Quality Sprouts Brand



Sprouts Brand Sales Penetration⁽¹⁾



- **\$1.7B** in sales of Sprouts Brand Products in 2024
- **300** Sprouts Brand products launched in 2024

⁽¹⁾ Sprouts Brand Sales Penetration represents sales of Sprouts Brand products, as a percentage of total company sales.



DIFFERENTIATED ASSORTMENT

More than 70% of Products Sold are Attribute-Driven

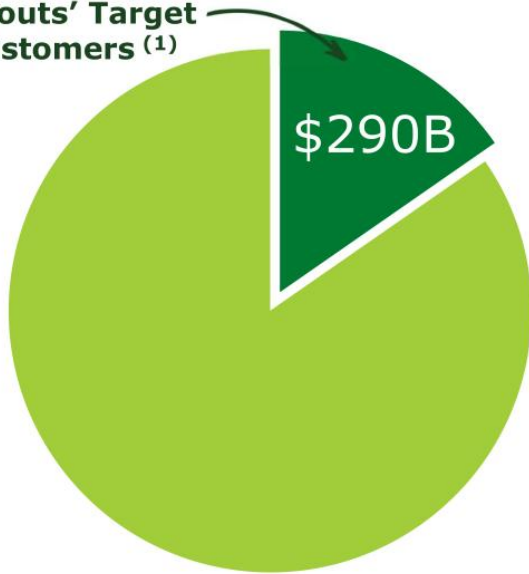


TARGET CUSTOMER FOCUS *Huge Opportunity*



CONSUMERS SPEND \$1.6T ON FOOD **AT HOME** ⁽¹⁾

Sprouts' Target Customers ⁽¹⁾



- **Focus on natural and organic** products (vs. CPG), a fast-growing channel of food at home
- Emphasis on **Target Customer segment**
- Huge opportunity to **grow** target customer **share of wallet**
- Tailored marketing highlighting **attributes** & store experience
- **Innovation center** with latest healthy trends
- Revamped **site selection** model finding optimal locations for target customer convenience

(1) Source 2019-2024 Consumer Research; Kantar IQ; Willard Bishop Food Retailing Reports; PG100 Reports; Euromonitor



TARGET CUSTOMER FOCUS

Demographics: Consumer Who Craves Health & Wellness



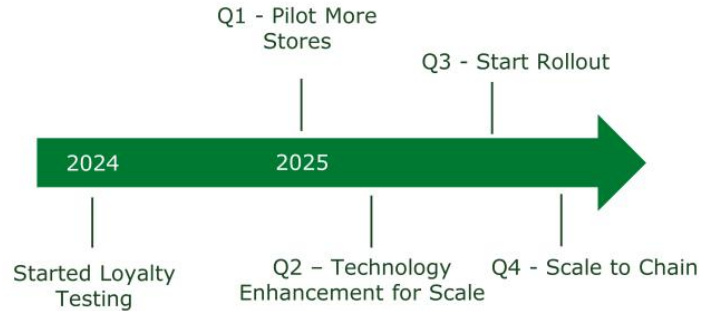
- Continue to attract **younger** customers
- Slightly **higher educated**
- **Skews higher income**- less susceptible to economic downturn
- **Over half** are married/relationship – typically dual income
- Majority of ecommerce customers are **omnichannel** with higher share of wallet
- Seeks high quality, **lifestyle-friendly products, & differentiated assortment**; pays greater attention to labels
- Stronger interest in **organics**, fresh, less processed foods, **sustainability**
- **Willing to make more of an effort** (to drive farther or to make an additional trip) to get the items that meet their needs & standards

TARGET CUSTOMER FOCUS

Opportunity for Further Engagement



First Loyalty Program To Launch in 2025:



- Customers **love shopping at Sprouts** - they have unique needs and want differentiated products
- **Huge opportunity** for further engagement: **only 15% of customers were identifiable**
- Gathering more data allows us to **better understand and serve our target customers:**
 - Personalized experience
 - Product recommendation (hyper relevant)
 - Creates long-term customer stickiness
- Loyalty customers **come more often and spend more**





UNIQUE STORE EXPERIENCE

Farmers Market Feel & Produce at the Heart of the Store



Hybrid produce buying model: centralized and regional teams allow us to offer the freshest product to our customers

Meaningful farmer partnerships: delivers new varieties and ensures long-term supply at lower costs

Increasingly locally sourced fresher produce, through new distribution channels

Organic focused program - 46% of total produce sales are organic

Produce priced below most in the marketplace



UNIQUE STORE EXPERIENCE

Friendly & Knowledgeable Team Members



- Small size reinforces **farmers' market appeal**
- **Low profile** layout enables customer interaction
- **CSAT** Scores are best in company history
- **NPS** scores at +61, with only 5% detractors⁽¹⁾
- Improved **in-stocks**
- Ecomm penetration > 14% of sales⁽²⁾
- Ecomm increases customer access: can shop wherever, whenever

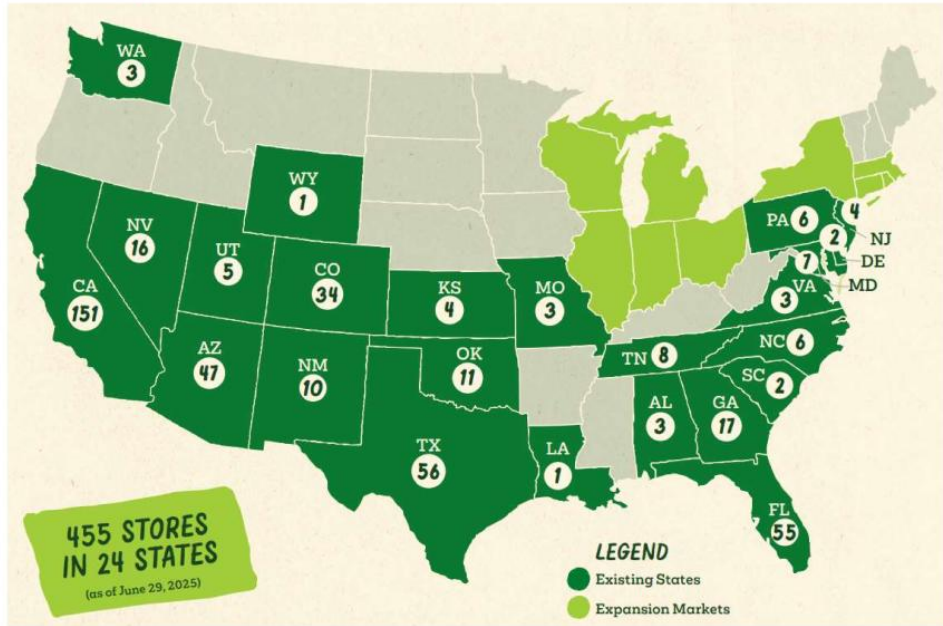


⁽¹⁾ Sprouts NPS study, August 2024

⁽²⁾ Sprouts e-commerce penetration represents e-commerce sales as a percentage of total company sales.

INCREDIBLE GROWTH OPPORTUNITY

Plenty of White Space



Potential for 1000+ stores from coast to coast 14

 **INCREDIBLE GROWTH OPPORTUNITY**
Advantaged fresh supply chain: Distribution Centers (DCs) within 250 miles of the majority of stores



Improved Freshness for the Customer:

- Took a day out of the inventory cycle

Local:

- Partnering with 170 local farmers representing more than 19% of total produce sales

Benefits of Closer DCs:

Efficiency

- ~80% (and increasing) of stores within 250 miles of DC
- Reduced total miles driven per store delivery by 7%

Sustainability - launched RPCs (reusable plastic containers) for wet produce SKUs to reduce waste

Service - achieved 99% controllable on time delivery to stores

Optimizing our Supply Chain:

Creating DC capacity to support future growth:

- Transitioning fresh meat & seafood to self-distribution
- Exploring DC expansions, as well as Northeast and Midwest locations



TEAMS AND CULTURE

Executive Management Team with Leading Grocery & Retail Experience



Jack Sinclair
Chief Executive Officer
since 2019



Curtis Valentine
Chief Financial Officer
since 2024 (joined SFM in 2015)



Nick Konat
President & Chief Operating Officer
since 2022



Alisa Gmelich
Chief Marketing Officer
since 2022



Dave McGlinchey
Chief Development Officer
since 2022 (joined SFM in 2017)



Scott Neal
Chief Merchandising Officer
since 2022 (joined SFM in 2020)



Dustin Hamilton
Chief Stores Officer
since 2023 (joined SFM in 2021)



Kim Coffin
Chief Forager
since 2022 (joined SFM in 2012)



Brandon Lombardi
Chief Legal Officer & Chief Sustainability Officer
since 2012



Joe Hurley
Chief Supply Chain Officer
since 2023 (joined SFM in 2019)



Timmi Zalatoris
Chief Human Resources Officer
since 2023 (joined SFM in 2017)



James Bahrenburg
Chief Technology Officer
since 2023

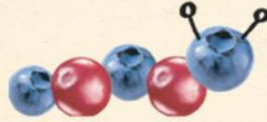


TEAMS AND CULTURE

Three Simple Values at the Heart of our Strong Culture



WE CARE



**WE LOVE BEING
DIFFERENT**



WE OWN IT



- **\$30M** in bonuses paid to field team members
- **\$23M** in savings for team members with store discount



TEAMS AND CULTURE

Creating a Talent Engine to Support our Growth



In 2024:

- **3,300** New jobs created
- **33,200** Leadership training hours delivered
- **\$20.59/hr** Average pay rate for store team members
- **54%** Store Manager positions filled with internal candidates





TEAMS AND CULTURE

*Commitment to Community
& Planet at Sprouts in 2024*



- **71%** landfill diversion rate
- **70M** pounds of food recovered through donation, animal feed, and composting programs
- **60%** of sales of products with a social or environmental attribute
- **30%** of total sales from Organic products
- **2%** intensity reduction in carbon emissions per square foot, against our **25%** reduction target by **2033**

Sprouts Healthy Communities Foundation:

- **5 Million** estimated students nationwide educated at Growing School Gardens Summit
- **\$4 Million** invested in hyper-local grants to 578 nonprofit organizations and schools focused on school garden education and health and wellness programs



**~10%-unit
growth⁽²⁾**



**Attractive
New Store
Economics**



**Low single
digit comps**



**Stable EBIT
Margins off a
Higher Base**

Low Double-Digit Earnings Growth and Expansion of ROIC

⁽¹⁾ These are targets and not projections; they are subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Company and its management, and are based on assumptions with respect to future decisions, which may be subject to change. Actual results may vary and the variances may be material. Nothing in this presentation should be regarded as a representation that these targets will be achieved and the Company undertakes no duty to update its targets. See "Forward-Looking Statements."

⁽²⁾ Expect to open at least 35 new stores in 2025



HEALTHY FINANCIALS

New stores' Strong Performance: Four Wall Box Target Economics⁽¹⁾



SALES

- Box opens on average at \$13M in year 1 annual sales
- Grows 20% to 25% over next the next 4 years

EBITDA MARGINS

- Break even year 1
- Grows to a blended ~8% EBITDA Margins over the next 4 years

CASH INVESTMENT

- \$3.8M average new store build including CapEx, Inventory and Pre-opening expenses

CASH ON CASH RETURN

- Low to mid thirties by year 5

1. These are targets and not projections; they are subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Company and its management, and are based on assumptions with respect to future decisions, which may be subject to change. Actual results may vary and the variances may be material. Nothing in this presentation should be regarded as a representation that these targets will be achieved and the Company undertakes no duty to update its targets. See "Forward-Looking Statements."



HEALTHY FINANCIALS

Low Single-digit Comps Targets & Stable EBIT Margins⁽¹⁾



KEY COMP DRIVERS

- Tailored marketing: to target customer and regions
- Enhanced in-store events
- Innovative, differentiated products
- Omnichannel offering
- Customer engagement – loyalty
- New store comp tailwind – partially offset by cannibalization

MARGIN STABILITY

- + Supply chain optimization
- + Inventory Management
- + Fixed cost leverage as we scale
- + Labor productivity and cost management
- Headwinds from ecommerce and new store growth

⁽¹⁾ These are targets and not projections; they are subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Company and its management, and are based on assumptions with respect to future decisions, which may be subject to change. Actual results may vary and the variances may be material. Nothing in this presentation should be regarded as a representation that these targets will be achieved and the Company undertakes no duty to update its targets. See "Forward-Looking Statements." See the Appendix to this presentation for a reconciliation of EBIT margin to the comparable GAAP figure.

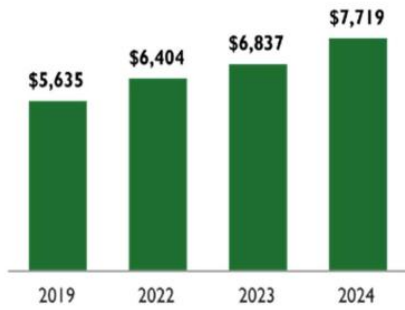


HEALTHY FINANCIALS

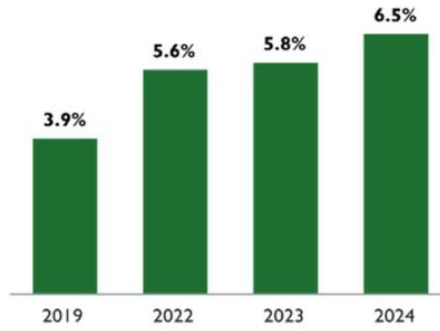
Stronger Foundation: Strategic Initiatives Taking Hold⁽¹⁾



NET SALES
(\$ in mm)



ADJUSTED EBIT MARGIN



ADJUSTED DILUTED EARNINGS PER SHARE

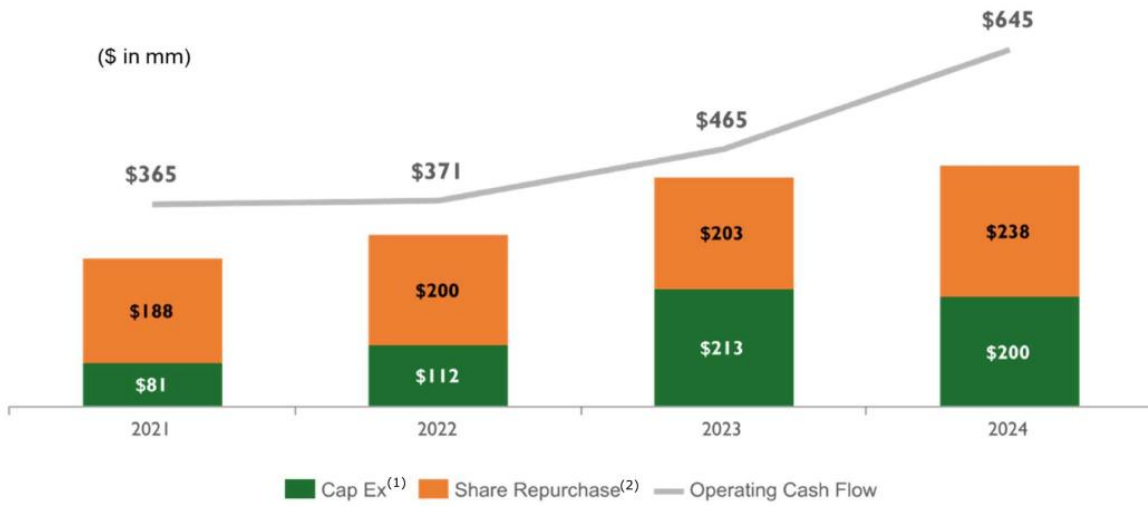


⁽¹⁾ See the Appendix to this presentation for a reconciliation of Adjusted Diluted Earnings Per Share to diluted Earnings Per Share and Adjusted EBIT margin to EBIT margin

HEALTHY FINANCIALS
Strong Balance Sheet. Robust Cash Flows



Self Fund our Growth and Deliver Shareholder Value through Ongoing Share Repurchase Program

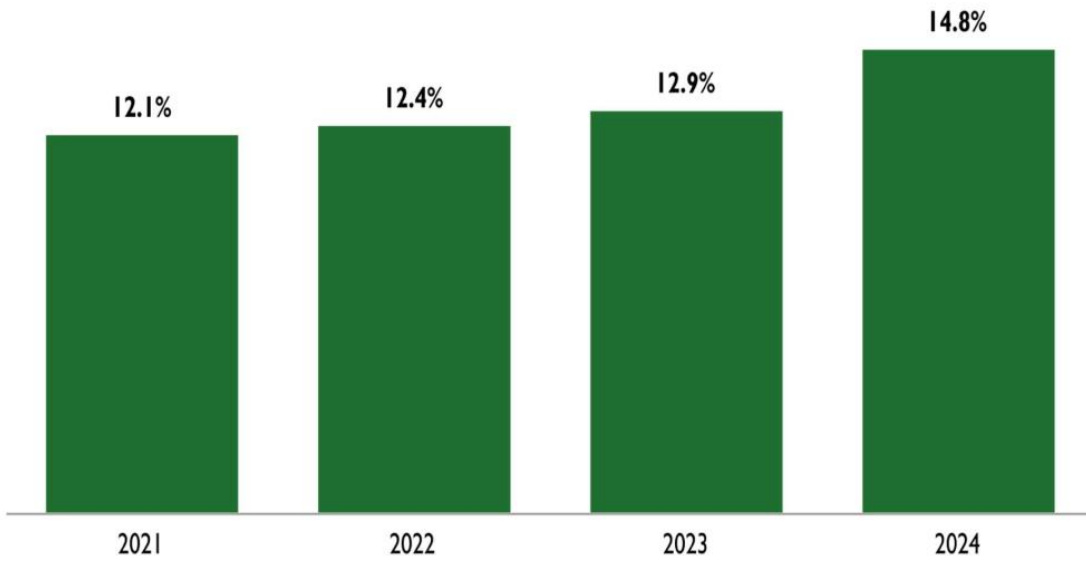


1. Capital expenditures are net of landlord reimbursement
 2. Excluding excise tax



HEALTHY FINANCIALS

Improving ROIC⁽¹⁾: Smart Investments Driving Strong Returns



⁽¹⁾ ROIC is a non-GAAP measure defined as net operating profit after taxes divided by average invested capital. See the Appendix to this presentation for a reconciliation of ROIC to net income.

We Help People Live and Eat Better



Sprouts delivers a unique farmers market experience: bringing together passionate, knowledgeable team members, and the best assortment of high-quality food



APPENDIX



SPROUTS' STRATEGY MILESTONES



	2020/2021	2022	2023	2024
Customer	<ul style="list-style-type: none"> E-commerce Boom Change in Promotional Strategy 	<ul style="list-style-type: none"> Positive Traffic Sprouts Brand reaches > \$1B sales Foraging Team 	<ul style="list-style-type: none"> Ecommerce – added Doordash Innovation Center 	<ul style="list-style-type: none"> Ecommerce reaches >\$1B in sales; added UberEats Loyalty program test
Store Format	<ul style="list-style-type: none"> Created smaller go-forward 23K sq ft store format Revamp RE site selection process 	<ul style="list-style-type: none"> 16 new stores Implement small store format stores 	<ul style="list-style-type: none"> 30 new stores – high single-digit growth 	<ul style="list-style-type: none"> 33 new stores Added new state of Wyoming
Supply Chain	<ul style="list-style-type: none"> New DCs: Florida & Colorado 	<ul style="list-style-type: none"> Implemented inventory management process & systems 	<ul style="list-style-type: none"> New Southern CA DC and expand TX DC 	<ul style="list-style-type: none"> Improved shrink by leveraging new systems
Team	<ul style="list-style-type: none"> Scott Neal - Chief Merchant 	<ul style="list-style-type: none"> Nick Konat - President, COO 	<ul style="list-style-type: none"> Alisa Gmelich - Chief Marketing 	<ul style="list-style-type: none"> Jim Bahrenburg - CTO Curtis Valentine - CFO Dustin Hamilton - Chief Stores Officer
Financials	<ul style="list-style-type: none"> GM improved by 300 bps over 2019 due to promotional strategy changes 	<ul style="list-style-type: none"> Double-digit EPS growth Comp acceleration begins as strategy takes hold 	<ul style="list-style-type: none"> Comps over 3% Double-digit EPS growth GM improved 330 bps over 2019 	<ul style="list-style-type: none"> Comps 7.6% Zero debt on revolver Revenue growth 13% EPS growth 32% EBIT margin +260 bps over 2019

APPENDIX

The following table shows a reconciliation of adjusted gross margin to gross margin, EBIT and adjusted EBIT to net income, adjusted EBIT margin to EBIT margin, as well as a reconciliation of adjusted net income and adjusted diluted earnings per share to net income and diluted earnings per share for the fiscal ended December 29, 2024, December 31, 2023, January 1, 2023 and December 29, 2019



SPROUTS FARMERS MARKET, INC. AND SUBSIDIARIES NON-GAAP MEASURE RECONCILIATION (UNAUDITED) (IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	Fifty-Two Weeks ended	Fifty-Two Weeks ended	Fifty-Two Weeks ended	Fifty-Two Weeks ended
	Dec 29, 2024	Dec 31, 2023	Jan 1, 2023	Dec 29, 2019
Net sales	\$ 7,719,290	\$ 6,837,384	\$ 6,404,223	\$ 5,634,835
Gross profit	\$ 2,941,491	\$ 2,521,841	\$ 2,348,564	\$ 1,894,818
Special Items	—	2,955 ⁽¹⁾	—	—
Adjusted gross profit	<u>2,941,491</u>	<u>2,524,796</u>	<u>2,348,564</u>	<u>1,894,818</u>
Gross margin	38.1 %	36.9 %	36.7 %	33.6 %
Adjusted gross margin	38.1 %	36.9 %	36.7 %	33.6 %
Net income	\$ 380,601	\$ 258,856	\$ 261,164	\$ 149,629
Income tax provision	126,097	84,884	88,149	46,539
Interest (income) expense, net	(2,201)	6,491	9,047	21,192
Earnings before interest and taxes (EBIT)	504,497	350,231	358,360	217,360
Special Items	—	46,034 ⁽²⁾	—	508 ⁽³⁾
Adjusted EBIT	<u>\$ 504,497</u>	<u>\$ 396,265</u>	<u>\$ 358,360</u>	<u>\$ 217,868</u>
EBIT margin	6.5 %	5.1 %	5.6 %	3.9 %
Adjusted EBIT margin	6.5 %	5.8 %	5.6 %	3.9 %
Net Income	\$ 380,601	\$ 258,856	\$ 261,164	\$ 149,629
Special Items, net of tax	—	34,272 ⁽²⁾	—	377
Adjusted Net income	<u>\$ 380,601</u>	<u>\$ 293,128</u>	<u>\$ 261,164</u>	<u>\$ 150,006</u>
Diluted EPS	\$ 3.75	\$ 2.50	\$ 2.39	\$ 1.25
Adjusted diluted EPS	\$ 3.75	\$ 2.84	\$ 2.39	\$ 1.25
Diluted weighted average shares outstanding	101,379	103,390	109,139	119,742

(1) Includes approximately \$3 million in Cost of sales related to store closures and our supply chain transition.

(2) Includes approximately \$28 million in store closure and other costs, net primarily related to impairment charges and \$6 million in Depreciation and amortization (exclusive of depreciation in cost of sales) for accelerated depreciation in connection with store closures, \$9 million in selling, general and administrative expenses related to store closures, our supply chain transition and acquisition-related costs, and \$3 million in Cost of sales related to store closures and our supply chain transition. After-tax impact includes the tax benefit on the pre-tax charge.

(3) Includes direct costs associated with store closures or relocations. After-tax impact includes the tax benefit on the pre-tax charge.

APPENDIX

The following table shows a reconciliation of ROIC to net income for the Company's 2021, 2022, 2023 and 2024 fiscal years



SPROUTS FARMERS MARKET, INC. AND SUBSIDIARIES NON-GAAP MEASURE RECONCILIATION (UNAUDITED) (IN MILLIONS)

	2024	2023	2022	2021
Net Income ⁽¹⁾	\$ 380.6	\$ 258.9	\$ 261.2	\$ 224.2
Special Items, net of tax ^(2,3)	—	\$ 34.3	\$ —	\$ —
Interest expense, net of tax ⁽³⁾	(1.7)	\$ 4.9	\$ 6.8	\$ 8.8
Net operating profit after tax (NOPAT)	<u>\$ 378.9</u>	<u>\$ 298.0</u> ⁽¹⁾	<u>\$ 267.9</u>	<u>\$ 253.0</u>
Total rent expense, net of tax ⁽³⁾	189.9	\$ 175.6	\$ 154.6	\$ 150.0
Estimated depreciation on operating leases, net of tax ⁽³⁾	(105.6)	\$ (98.5)	\$ (87.8)	\$ (88.0)
Estimated interest on operating leases, net of tax ^(3,4)	84.3	\$ 77.1	\$ 66.9	\$ 62.0
NOPAT, including effect of operating leases	<u>\$ 463.3</u>	<u>\$ 375.1</u>	<u>\$ 334.8</u>	<u>\$ 315.0</u>
Average working capital	184.7	\$ 227.4	\$ 271.6	\$ 193.9
Average property and equipment	838.2	\$ 749.6	\$ 704.8	\$ 712.5
Average other assets	603.0	\$ 595.8	\$ 568.6	\$ 568.7
Average other liabilities	(102.5)	\$ (97.9)	\$ (96.6)	\$ (101.3)
Average invested capital	<u>\$ 1,523.3</u>	<u>\$ 1,474.9</u>	<u>\$ 1,448.4</u>	<u>\$ 1,373.8</u>
Average operating leases ⁽⁵⁾	1,603.8	\$ 1,423.1	\$ 1,259.4	\$ 1,222.5
Average invested capital, including operating leases	<u>\$ 3,127.1</u>	<u>\$ 2,898.0</u>	<u>\$ 2,707.8</u>	<u>\$ 2,596.3</u>
ROIC, including operating leases	<u>14.8 %</u>	<u>12.9 %</u>	<u>12.4 %</u>	<u>12.1 %</u>

(1) Net income amounts represent total net income for the past four trailing quarters.

(2) Special Items related to 2023 store closure costs, supply chain transition, acquisition charges.

(3) Net of tax amounts are calculated using the normalized effective tax rate for the period presented.

(4) 2024, 2023, 2022 and 2021 estimated interest on operating leases is calculated by multiplying operating leases by a 7.0%, 7.2%, 7.1%, 6.7% discount rate, respectively, for each lease recorded as rent expense with direct store expense.

(5) 2024, 2023, 2022 & 2021 average operating lease represents the average net present value of outstanding lease obligations over the past four trailing quarters.

THANK YOU!



