

SYSCO CORP

FORM 10-Q (Quarterly Report)

Filed 04/30/25 for the Period Ending 03/29/25

Address	1390 ENCLAVE PKWY HOUSTON, TX, 77077
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Industry	Food Retail & Distribution
Sector	Consumer Non-Cyclicals
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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

- ☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 29, 2025
OR
☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number: 1-6544



Sysco Corporation

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

74-1648137

(I.R.S. Employer Identification Number)

1390 Enclave Parkway, Houston, Texas

(Address of principal executive offices)

77077-2099

(Zip Code)

Registrant's telephone number, including area code:
(281) 584-1390

	Title of each class	Trading Symbol	Name of each exchange on which registered
Securities registered pursuant to Section 12(b) of the Act:	Common stock, \$1.00 Par Value	SYF	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	<input checked="" type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>
Non-accelerated Filer	<input type="checkbox"/>	Smaller Reporting Company	<input type="checkbox"/>
(Do not check if a smaller reporting company)		Emerging growth company	<input type="checkbox"/>

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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

484,751,681 shares of common stock were outstanding as of April 11, 2025.

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

Sysco Corporation and its Consolidated Subsidiaries CONSOLIDATED BALANCE SHEETS (In millions, except for share data)

	Mar. 29, 2025 (unaudited)	Jun. 29, 2024
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,527	\$ 696
Accounts receivable, less allowances of \$114 and \$54	5,465	5,324
Inventories	4,893	4,678
Prepaid expenses and other current assets	375	323
Income tax receivable	22	22
Total current assets	12,282	11,043
Plant and equipment at cost, less accumulated depreciation	5,719	5,497
Other long-term assets		
Goodwill	5,199	5,153
Intangibles, less amortization	1,100	1,188
Deferred income taxes	456	445
Operating lease right-of-use assets, net	1,096	923
Other assets	495	668
Total other long-term assets	8,346	8,377
Total assets	\$ 26,347	\$ 24,917
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 6,183	\$ 6,290
Accrued expenses	2,147	2,226
Accrued income taxes	40	131
Current operating lease liabilities	133	125
Current maturities of long-term debt	1,232	469
Total current liabilities	9,735	9,241
Long-term liabilities		
Long-term debt	12,234	11,513
Deferred income taxes	342	345
Long-term operating lease liabilities	1,010	838
Other long-term liabilities	1,081	1,089
Total long-term liabilities	14,667	13,785
Noncontrolling interest	23	31
Shareholders' equity		
Preferred stock, par value \$1 per share Authorized 1,500,000 shares, issued none	—	—
Common stock, par value \$1 per share Authorized 2,000,000,000 shares, issued 765,174,900 shares	765	765
Paid-in capital	1,963	1,908
Retained earnings	12,792	12,260
Accumulated other comprehensive loss	(1,255)	(1,339)
Treasury stock at cost, 280,429,662 and 273,416,685 shares	(12,343)	(11,734)
Total shareholders' equity	1,922	1,860
Total liabilities and shareholders' equity	\$ 26,347	\$ 24,917

Note: The June 29, 2024 balance sheet has been derived from the audited financial statements at that date.

See Notes to Consolidated Financial Statements

Sysco Corporation and its Consolidated Subsidiaries
CONSOLIDATED RESULTS OF OPERATIONS (Unaudited)
(In millions, except for share and per share data)

	13-Week Period Ended		39-Week Period Ended	
	Mar. 29, 2025	Mar. 30, 2024	Mar. 29, 2025	Mar. 30, 2024
Sales	\$ 19,598	\$ 19,380	\$ 60,232	\$ 58,288
Cost of sales	16,017	15,771	49,249	47,518
Gross profit	3,581	3,609	10,983	10,770
Operating expenses	2,900	2,887	8,783	8,544
Operating income	681	722	2,200	2,226
Interest expense	149	158	469	442
Other expense (income), net	9	10	32	23
Earnings before income taxes	523	554	1,699	1,761
Income taxes	122	129	402	418
Net earnings	\$ 401	\$ 425	\$ 1,297	\$ 1,343
Net earnings:				
Basic earnings per share	\$ 0.82	\$ 0.85	\$ 2.65	\$ 2.67
Diluted earnings per share	0.82	0.85	2.64	2.66
Average shares outstanding	487,519,382	499,642,505	490,080,591	503,027,209
Diluted shares outstanding	489,331,460	501,921,446	491,973,759	504,973,406

See Notes to Consolidated Financial Statements

Sysco Corporation and its Consolidated Subsidiaries
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)
(In millions)

	13-Week Period Ended		39-Week Period Ended	
	Mar. 29, 2025	Mar. 30, 2024	Mar. 29, 2025	Mar. 30, 2024
Net earnings	\$ 401	\$ 425	\$ 1,297	\$ 1,343
Other comprehensive income (loss):				
Foreign currency translation adjustment	136	(67)	49	(12)
Items presented net of tax:				
Amortization of cash flow hedges	1	2	4	7
Change in net investment hedges	(6)	7	(3)	(10)
Change in cash flow hedges	3	13	(5)	19
Change in excluded components of fair value hedge	—	—	(2)	—
Amortization of actuarial loss	5	5	15	15
Net actuarial gain and other adjustments arising in current year	—	—	23	1
Change in marketable securities	2	(1)	3	2
Total other comprehensive income (loss)	141	(41)	84	22
Comprehensive income	<u>\$ 542</u>	<u>\$ 384</u>	<u>\$ 1,381</u>	<u>\$ 1,365</u>

See Notes to Consolidated Financial Statements

Sysco Corporation and its Consolidated Subsidiaries
CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY (Unaudited)
(In millions, except for share data)

Quarter to Date

	Common Stock		Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock		Totals
	Shares	Amount				Shares	Amounts	
Balance as of December 28, 2024	765,174,900	\$ 765	\$ 1,965	\$ 12,649	\$ (1,396)	275,706,546	\$ (11,969)	\$ 2,014
Net earnings				401				401
Other comprehensive income (loss)					141			141
Dividends declared (\$0.51 per common share)				(246)				(246)
Treasury stock purchases						5,468,937	(400)	(400)
Share-based compensation awards			(2)			(745,821)	26	24
Adjustments to redeemable non-controlling interest				(12)				(12)
Balance as of March 29, 2025	765,174,900	\$ 765	\$ 1,963	\$ 12,792	\$ (1,255)	280,429,662	\$ (12,343)	\$ 1,922

	Common Stock		Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock		Totals
	Shares	Amount				Shares	Amounts	
Balance as of December 30, 2023	765,174,900	\$ 765	\$ 1,877	\$ 11,724	\$ (1,190)	261,472,819	\$ (10,772)	\$ 2,404
Net earnings				425				425
Other comprehensive income (loss)					(41)			(41)
Dividends declared (\$0.50 per common share)				(250)				(250)
Treasury stock purchases			(51)			6,026,110	(449)	(500)
Share-based compensation awards			21			(1,248,841)	42	63
Balance as of March 30, 2024	765,174,900	\$ 765	\$ 1,847	\$ 11,899	\$ (1,231)	266,250,088	\$ (11,179)	\$ 2,101

See Notes to Consolidated Financial Statements

Year to Date

	Common Stock		Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock		Totals
	Shares	Amount				Shares	Amounts	
Balance as of June 29, 2024	765,174,900	\$ 765	\$ 1,908	\$ 12,260	\$ (1,339)	273,416,685	\$ (11,734)	\$ 1,860
Net earnings				1,297				1,297
Other comprehensive income (loss)					84			84
Dividends declared (\$1.53 per common share)				(749)				(749)
Treasury stock purchases						9,418,578	(700)	(700)
Share-based compensation awards			55			(2,405,601)	91	146
Adjustments to redeemable non-controlling interest				(16)				(16)
Balance as of March 29, 2025	765,174,900	\$ 765	\$ 1,963	\$ 12,792	\$ (1,255)	280,429,662	\$ (12,343)	\$ 1,922

	Common Stock		Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock		Totals
	Shares	Amount				Shares	Amounts	
Balance as of July 1, 2023	765,174,900	\$ 765	\$ 1,815	\$ 11,311	\$ (1,253)	260,062,834	\$ (10,629)	\$ 2,009
Net earnings				1,343				1,343
Other comprehensive income (loss)					22			22
Dividends declared (\$1.50 per common share)				(755)				(755)
Treasury stock purchases			(51)			8,888,777	(649)	(700)
Share-based compensation awards			83			(2,701,523)	99	182
Balance as of March 30, 2024	765,174,900	\$ 765	\$ 1,847	\$ 11,899	\$ (1,231)	266,250,088	\$ (11,179)	\$ 2,101

See Notes to Consolidated Financial Statements

Sysco Corporation and its Consolidated Subsidiaries
CONSOLIDATED CASH FLOWS (Unaudited)
(In millions)

	39-Week Period Ended	
	Mar. 29, 2025	Mar. 30, 2024
Cash flows from operating activities:		
Net earnings	\$ 1,297	\$ 1,343
Adjustments to reconcile net earnings to cash provided by operating activities:		
Share-based compensation expense	74	77
Depreciation and amortization	709	647
Operating lease asset amortization	102	92
Amortization of debt issuance and other debt-related costs	11	14
Deferred income taxes	(27)	(25)
Provision for losses on receivables	72	43
Other non-cash items	(84)	(2)
Additional changes in certain assets and liabilities, net of effect of businesses acquired:		
Increase in receivables	(228)	(325)
Increase in inventories	(214)	(126)
(Increase) decrease in prepaid expenses and other current assets	(11)	23
Decrease in accounts payable	(128)	(282)
(Decrease) increase in accrued expenses	(98)	29
Decrease in operating lease liabilities	(132)	(103)
Decrease in accrued income taxes	(91)	(68)
Decrease in other assets	16	25
Increase in other long-term liabilities	49	11
Net cash provided by operating activities	1,317	1,373
Cash flows from investing activities:		
Additions to plant and equipment	(532)	(530)
Proceeds from sales of plant and equipment	169	21
Acquisition of businesses, net of cash acquired	(40)	(1,181)
Purchase of marketable securities	(25)	(12)
Proceeds from sales of marketable securities	24	—
Other investing activities	12	1
Net cash used for investing activities	(392)	(1,701)
Cash flows from financing activities:		
Bank and commercial paper (repayments) borrowings, net	(33)	525
Other debt borrowings including senior notes	1,254	1,261
Other debt repayments including senior notes	(143)	(339)
Proceeds from stock option exercises	96	103
Stock repurchases	(700)	(700)
Dividends paid	(752)	(758)
Other financing activities	(21)	(32)
Net cash (used for) provided by financing activities	(299)	60
Effect of exchange rates on cash, cash equivalents and restricted cash	(7)	(5)
Net increase (decrease) in cash, cash equivalents and restricted cash	619	(273)
Cash, cash equivalents and restricted cash at beginning of period	945	966
Cash, cash equivalents and restricted cash at end of period	\$ 1,564	\$ 693
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest	\$ 453	\$ 376
Income taxes, net of refunds ⁽¹⁾	510	510

⁽¹⁾ Cash paid for income taxes, net for the 39 weeks ended March 29, 2025 includes \$190 million of cash paid for the purchase of federal tax credits.

See Notes to Consolidated Financial Statements

Sysco Corporation and its Consolidated Subsidiaries
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

Unless this Form 10-Q indicates otherwise or the context otherwise requires, the terms “we,” “our,” “us,” “Sysco,” or the “company” as used in this Form 10-Q refer to Sysco Corporation together with its consolidated subsidiaries and divisions.

1. BASIS OF PRESENTATION

The consolidated financial statements have been prepared by the company, without an audit. The financial statements include consolidated balance sheets, consolidated results of operations, consolidated statements of comprehensive income, changes in consolidated shareholders’ equity and consolidated cash flows. In the opinion of management, all adjustments, which consist of normal recurring adjustments, except as otherwise disclosed, necessary to present fairly the financial position, results of operations, comprehensive income, cash flows and changes in shareholders’ equity for all periods presented have been made.

These financial statements should be read in conjunction with the audited financial statements and notes thereto included in our Annual Report on Form 10-K for the fiscal year ended June 29, 2024. Certain footnote disclosures included in annual financial statements prepared in accordance with generally accepted accounting principles (GAAP) have been condensed or omitted pursuant to applicable rules and regulations for interim financial statements.

Supplemental Balance Sheet Information

Supplier Financing Programs

We have agreements with third parties to provide supplier finance programs which facilitate participating suppliers’ ability to finance payment obligations from the company with designated third-party financial institutions. Participating suppliers may, at their sole discretion, make offers to finance one or more payment obligations of the company prior to their scheduled due dates at a discounted price to participating financial institutions. Obligations of the company that have been confirmed as valid require payment by Sysco upon the due date of the obligation.

Our outstanding payment obligations that suppliers financed to participating financial institutions, which are included in accounts payable on the consolidated balance sheets, are as follows:

	Mar. 29, 2025		Jun. 29, 2024
		(In millions)	
Financed payment obligations	\$	91	\$ 102

Accounts Receivable, Less Allowances

We utilize arrangements to sell portions of our trade accounts receivable to third-party financial institutions on a non-recourse basis in exchange for cash. The arrangements meet the requirements for the receivables transferred to be accounted for as sales and are accounted for as a reduction in trade receivables. Proceeds from the sales are reported net of negotiated discount and are recorded as a reduction to accounts receivable outstanding in the company’s consolidated balance sheets and as cash flows from operating activities in the company’s consolidated statements of cash flows. Accounts receivable sold under these arrangements were \$1.9 billion and \$1.2 billion for the third quarter of fiscal 2025 and 2024, respectively, and \$6.0 billion and \$3.6 billion for the first 39 weeks of fiscal 2025 and 2024, respectively.

In certain instances, Sysco has continuing involvement subsequent to the transfer, limited to providing certain servicing and collection actions on behalf of the purchasers of the designated trade receivables. The outstanding aggregate principal amount of receivables that has been derecognized and remain outstanding was \$172 million and \$173 million at March 29, 2025 and June 29, 2024, respectively. We continue to service the receivables post-transfer on a non-recourse basis with no participating interest.

Supplemental Cash Flow Information

The following table sets forth our reconciliation of cash, cash equivalents and restricted cash reported within the consolidated balance sheets that sum to the total of the amounts shown in the consolidated statement of cash flows:

	Mar. 29, 2025	Mar. 30, 2024
	(In millions)	
Cash and cash equivalents	\$ 1,527	\$ 598
Restricted cash ⁽¹⁾	37	95
Total cash, cash equivalents and restricted cash shown in the consolidated statement of cash flows	\$ 1,564	\$ 693

⁽¹⁾ Restricted cash primarily represents cash and cash equivalents of Sysco's wholly owned captive insurance subsidiary, restricted for use to secure the insurer's obligations for workers' compensation, general liability and auto liability programs. Restricted cash is located within other assets in each consolidated balance sheet.

The following table sets forth our non-cash investing and financing activities:

	Mar. 29, 2025	Mar. 30, 2024
	(In millions)	
Non-cash investing and financing activities:		
Plant and equipment acquired through financing programs	\$ 272	\$ 288
Assets obtained in exchange for finance lease obligations	55	88

Business Combinations

On November 27, 2023, Sysco consummated its acquisition of Edward Don & Company (Edward Don) through a merger between Edward Don and a wholly owned subsidiary of Sysco Corporation, in which Sysco acquired 100% of the members' equity of the acquiree for cash consideration of \$965 million. Edward Don is a leading distributor of foodservice equipment, supplies and disposables and has a robust supply chain that is expected to enable cost effective distribution of restaurant equipment and supplies across the Sysco network. The acquisition has allowed Sysco to add strategic capabilities and diversified offerings to complement its existing business and creates a specialty equipment and supplies platform that provides better selection and service to customers.

During the second quarter of fiscal 2025, we completed the determination of the fair value of the assets acquired and liabilities assumed. We recorded certain measurement period adjustments during fiscal 2024 and 2025, none of which were individually or in aggregate material to our financial statements.

2. NEW ACCOUNTING STANDARDS

Recent Accounting Guidance Not Yet Adopted

Segment Reporting

In November 2023, the Financial Accounting Standards Board (FASB) issued ASU 2023-07, Segment Reporting (Topic 280), Improvements to Reportable Segment Disclosures to improve reportable segment disclosure requirements through enhanced disclosures about significant segment expenses. ASU 2023-07 expands public entities' segment disclosures by requiring disclosure of significant segment expenses that are regularly provided to the chief operating decision maker and included within each reported measure of segment profit or loss, an amount and description of its composition for other segment items and interim disclosures of a reportable segment's profit or loss and assets. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, (our fiscal 2025), and interim periods for our fiscal years beginning after December 15, 2024, (our first quarter of fiscal 2026), and should be applied on a retrospective basis to all periods presented. Early adoption is permitted. We are currently evaluating the effect of adopting ASU 2023-07 on our disclosures.

Income Taxes

In December 2023, the FASB issued 2023-09, Income Taxes (Topic 740), Improvements to Income Tax Disclosures to enhance income tax information primarily through changes in the rate reconciliation and income taxes paid information. ASU 2023-09 is effective for annual periods beginning after December 15, 2024, (our fiscal 2026), on a prospective basis. Early adoption is permitted. We are currently evaluating the effect of adopting ASU 2023-09 on our disclosures.

Disaggregation of Income Statement Expenses

In November 2024, the FASB issued ASU 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses. The standard update improves the disclosures about a public business entity's expenses by requiring more detailed information about the types of expenses included within commonly presented income statement captions. The amendments in ASU 2024-03 are effective for annual reporting periods beginning after December 15, 2026, (our fiscal 2028), and interim reporting periods for our fiscal years beginning after December 15, 2027, (our first quarter of fiscal 2029). Early adoption is permitted. The standard updates are to be applied prospectively with the option for retrospective application. We are currently evaluating the effect of adopting ASU 2024-03 on our disclosures.

3. REVENUE

We recognize revenues when our performance obligations are satisfied in an amount that reflects the consideration Sysco expects to be entitled to receive in exchange for those goods and services. Customer receivables, which are included in accounts receivable, less allowances in the consolidated balance sheet, were \$5.2 billion and \$5.0 billion as of March 29, 2025 and June 29, 2024, respectively.

The following tables present our sales disaggregated by reportable segment and sales mix for the company's principal product categories for the periods presented:

13-Week Period Ended Mar. 29, 2025

	US Foodservice Operations	International Foodservice Operations	SYGMA (In millions)	Other	Total
Principal Product Categories					
Fresh and frozen meats	\$ 2,590	\$ 531	\$ 579	\$ —	\$ 3,700
Canned and dry products	2,574	669	253	—	3,496
Frozen fruits, vegetables, bakery and other	1,989	663	329	—	2,981
Dairy products	1,597	406	143	—	2,146
Poultry	1,366	261	284	—	1,911
Fresh produce	1,239	257	74	—	1,570
Paper and disposables	993	123	195	12	1,323
Beverage products	367	176	150	19	712
Seafood	536	96	48	—	680
Equipment and smallwares	271	44	7	120	442
Other ⁽¹⁾	278	231	22	106	637
Total Sales	\$ 13,800	\$ 3,457	\$ 2,084	\$ 257	\$ 19,598

⁽¹⁾ Other sales relate to certain non-food products, including textiles and amenities for our hotel supply business, other janitorial products, and medical supplies.

13-Week Period Ended Mar. 30, 2024

	US Foodservice Operations	International Foodservice Operations	SYGMA	Other	Total
	(In millions)				
Principal Product Categories					
Canned and dry products	\$ 2,684	\$ 785	\$ 225	\$ —	\$ 3,694
Fresh and frozen meats	2,461	483	509	—	3,453
Frozen fruits, vegetables, bakery and other	2,007	665	311	—	2,983
Dairy products	1,416	392	136	—	1,944
Poultry	1,323	259	250	—	1,832
Fresh produce	1,362	268	69	—	1,699
Paper and disposables	1,011	126	183	13	1,333
Seafood	545	97	52	—	694
Beverage products	351	166	143	20	680
Equipment and smallwares	283	43	6	121	453
Other ⁽¹⁾	264	210	20	121	615
Total Sales	\$ 13,707	\$ 3,494	\$ 1,904	\$ 275	\$ 19,380

⁽¹⁾ Other sales relate to certain non-food products, including textiles and amenities for our hotel supply business, other janitorial products, and medical supplies.

39-Week Period Ended Mar. 29, 2025

	US Foodservice Operations	International Foodservice Operations	SYGMA	Other	Total
	(In millions)				
Principal Product Categories					
Fresh and frozen meats	\$ 7,846	\$ 1,620	\$ 1,687	\$ —	\$ 11,153
Canned and dry products	7,847	2,300	750	—	10,897
Frozen fruits, vegetables, bakery and other	6,063	2,068	1,015	—	9,146
Dairy products	4,794	1,249	420	—	6,463
Poultry	4,316	836	870	—	6,022
Fresh produce	3,915	823	220	—	4,958
Paper and disposables	3,048	392	597	38	4,075
Beverage products	1,113	545	461	60	2,179
Seafood	1,584	313	119	—	2,016
Equipment and smallwares	847	150	42	363	1,402
Other ⁽¹⁾	833	682	65	341	1,921
Total Sales	\$ 42,206	\$ 10,978	\$ 6,246	\$ 802	\$ 60,232

⁽¹⁾ Other sales relate to certain non-food products, including textiles and amenities for our hotel supply business, other janitorial products, and medical supplies.

39-Week Period Ended Mar. 30, 2024

	US Foodservice Operations	International Foodservice Operations	SYGMA	Other	Total
	(In millions)				
Principal Product Categories					
Canned and dry products	\$ 7,970	\$ 2,417	\$ 687	\$ —	\$ 11,074
Fresh and frozen meats	7,604	1,506	1,494	—	10,604
Frozen fruits, vegetables, bakery and other	6,032	2,020	932	—	8,984
Dairy products	4,319	1,194	419	—	5,932
Poultry	4,025	836	784	—	5,645
Fresh produce	4,032	808	205	—	5,045
Paper and disposables	2,976	449	557	43	4,025
Seafood	1,630	332	140	—	2,102
Beverage products	1,050	500	428	66	2,044
Equipment and smallwares	530	144	18	361	1,053
Other ⁽¹⁾	757	567	60	396	1,780
Total Sales	\$ 40,925	\$ 10,773	\$ 5,724	\$ 866	\$ 58,288

⁽¹⁾ Other sales relate to certain non-food products, including textiles and amenities for our hotel supply business, other janitorial products, and medical supplies.

4. FAIR VALUE MEASUREMENTS

Sysco's policy is to invest only in high-quality investments. The fair values of our cash deposits and money market funds included in cash equivalents are valued using inputs that are considered a Level 1 measurement. Other cash equivalents, such as time deposits and highly liquid instruments with original maturities of three months or less, are valued using inputs that are considered a Level 2 measurement. The fair value of our marketable securities is measured using inputs that are considered a Level 2 measurement, as they rely on quoted prices in markets that are not actively traded or observable inputs over the full term of the asset. The location and the fair value of the company's marketable securities in the consolidated balance sheet are disclosed in Note 5, "Marketable Securities." The fair value of our derivative instruments is measured using inputs that are considered a Level 2 measurement, as they are not actively traded and are valued using pricing models that use observable market quotations. The location and the fair values of derivative assets and liabilities designated as hedges in the consolidated balance sheet are disclosed in Note 6, "Derivative Financial Instruments."

The following tables present our assets measured at fair value on a recurring basis as of March 29, 2025 and June 29, 2024:

Assets Measured at Fair Value as of Mar. 29, 2025				
	Level 1	Level 2	Level 3	Total
(In millions)				
Assets:				
Cash equivalents				
Cash and cash equivalents	\$ 1,098	\$ —	\$ —	\$ 1,098
Other assets ⁽¹⁾	37	—	—	37
Total assets at fair value	\$ 1,135	\$ —	\$ —	\$ 1,135

⁽¹⁾ Represents restricted cash balance recorded within other assets in the consolidated balance sheet.

Assets Measured at Fair Value as of Jun. 29, 2024				
	Level 1	Level 2	Level 3	Total
(In millions)				
Assets:				
Cash equivalents				
Cash and cash equivalents	\$ 269	\$ —	\$ —	\$ 269
Other assets ⁽¹⁾	249	—	—	249
Total assets at fair value	\$ 518	\$ —	\$ —	\$ 518

⁽¹⁾ Represents restricted cash balance recorded within other assets in the consolidated balance sheet.

The carrying values of accounts receivable and accounts payable approximated their respective fair values due to their short-term maturities. The fair value of our total debt is estimated based on the quoted market prices for the same or similar issues or on the current rates offered to the company for new debt with the same maturities as existing debt and is considered a Level 2 measurement. The fair value of total debt was approximately \$13.0 billion as of March 29, 2025 and \$11.4 billion as of June 29, 2024, while the carrying value was \$13.5 billion as of March 29, 2025 and \$12.0 billion as of June 29, 2024.

5. MARKETABLE SECURITIES

Sysco invests a portion of the assets held by its wholly owned captive insurance subsidiary in a restricted investment portfolio of marketable fixed income securities, which have been classified and accounted for as available-for-sale. We include fixed income securities maturing in less than 12 months within prepaid expenses and other current assets. Fixed income securities maturing in more than 12 months are included within other assets in the accompanying consolidated balance sheets. We record the amounts at fair market value, which is determined using quoted market prices at the end of the reporting period.

Unrealized gains and any portion of a security's unrealized loss attributable to non-credit losses are recorded in accumulated other comprehensive loss. There were no significant credit losses recognized in the first 39 weeks of fiscal 2025.

The following table presents our available-for-sale marketable securities as of March 29, 2025 and June 29, 2024:

Mar. 29, 2025						
	Amortized Cost Basis	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Short-Term Marketable Securities	Long-Term Marketable Securities
(In millions)						
Fixed income securities:						
Corporate bonds	\$ 103	\$ —	\$ (2)	\$ 101	\$ 15	\$ 86
Government bonds	29	—	(1)	28	—	28
Total marketable securities	<u>\$ 132</u>	<u>\$ —</u>	<u>\$ (3)</u>	<u>\$ 129</u>	<u>\$ 15</u>	<u>\$ 114</u>

Jun. 29, 2024						
	Amortized Cost Basis	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Short-Term Marketable Securities	Long-Term Marketable Securities
(In millions)						
Fixed income securities:						
Corporate bonds	\$ 98	\$ —	\$ (4)	\$ 94	\$ 24	\$ 70
Government bonds	34	—	(2)	32	—	32
Total marketable securities	<u>\$ 132</u>	<u>\$ —</u>	<u>\$ (6)</u>	<u>\$ 126</u>	<u>\$ 24</u>	<u>\$ 102</u>

As of March 29, 2025, the balance of available-for-sale securities by contractual maturity is shown in the following table. Within the table, maturities of fixed income securities have been allocated based upon timing of estimated cash flows. Actual maturities may differ from contractual maturities because the issuers of the securities may have the right to prepay obligations without prepayment penalties.

		Mar. 29, 2025
		(In millions)
Due in one year or less	\$	15
Due after one year through five years		75
Due after five years		39
Total	<u>\$</u>	<u>129</u>

There were no significant realized gains or losses in marketable securities in the first 39 weeks of fiscal 2025.

6. DERIVATIVE FINANCIAL INSTRUMENTS

Sysco uses derivative financial instruments to enact hedging strategies for risk mitigation purposes; however, we do not use derivative financial instruments for trading or speculative purposes. Hedging strategies are used to manage interest rate risk, foreign currency risk and fuel price risk.

Hedging of interest rate risk

Sysco manages its debt portfolio with interest rate swaps from time to time to achieve an overall desired position of fixed and floating rates. In the third quarter of fiscal 2025, we entered into receive-fixed, pay-floating swap agreements to trade the fixed interest rate on \$550 million of 5.40% senior notes with variable rates. The interest rate swap agreements are designated as fair value hedges. Changes in the fair value of the hedge and the carrying value of the hedged item attributable to changes in the benchmark interest rates being hedged are recognized in interest expense.

Hedging of foreign currency risk

Sysco's operations in Europe have inventory purchases denominated in currencies other than their functional currency, such as the euro, U.S. dollar, British pound sterling, Polish zloty and Danish krone. These inventory purchases give rise to foreign currency exposure between the functional currency of each entity and these currencies. The company enters into foreign currency forward swap contracts to sell the applicable entity's functional currency and buy currencies matching the inventory purchase, which operate as cash flow hedges of the company's foreign currency-denominated inventory purchases.

Sysco has cross-currency swaps and foreign currency forwards designated as fair value hedges for the purpose of hedging foreign currency risk associated with changes in spot rates on foreign denominated intercompany loans and intercompany payables. Sysco has elected to exclude the changes in fair value of the forward points from the assessments of hedge effectiveness. Gains or losses from fair value hedges impact the same category on the consolidated statements of income as the item being hedged, including the earnings impact of the excluded components. Unrealized gains or losses on components excluded from hedge effectiveness are recorded as a component of accumulated other comprehensive income (loss) and recognized into earnings over the life of the hedged instrument. Except for the excluded components, changes in the fair value of the hedge are offset against changes in the fair value of the hedged assets or liabilities through earnings.

Sysco also has cross-currency swaps that hedge the foreign currency exposure of our net investment in certain foreign operations. These cross-currency swaps are designated as net investment hedges with gains and losses recognized within accumulated other comprehensive income (loss). In the third quarter of fiscal 2025, we entered into cross-currency swaps to hedge the foreign currency exposure of the net investment in our Canadian operations.

Hedging of fuel price risk

Sysco uses fuel commodity swap contracts to hedge against the risk of the change in the price of diesel fuel on anticipated future purchases. These swaps have been designated as cash flow hedges.

None of our hedging instruments contain credit-risk-related contingent features. Details of outstanding hedging instruments as of March 29, 2025 are presented below:

Maturity Date of the Hedging Instrument	Currency / Unit of Measure	Notional Value (In millions)
Hedging of interest rate risk		
January 2034	U.S. Dollar	500
March 2035	U.S. Dollar	550
Hedging of foreign currency risk		
Various (March 2025 to August 2025)	Swedish Krona	329
Various (May 2025 to October 2025)	British Pound Sterling	27
April 2025	Canadian Dollar	180
June 2025	Canadian Dollar	137
January 2029	Euro	470
September 2030	Euro	670
September 2030	Canadian Dollar	998
Hedging of fuel risk		
Various (March 2025 to October 2026)	Gallons	75

The location and the fair value of derivative instruments designated as hedges in the consolidated balance sheets as of March 29, 2025 and June 29, 2024 are as follows:

Balance Sheet location		Derivative Fair Value	
		Mar. 29, 2025	Jun. 29, 2024
(In millions)			
Fair Value Hedges:			
Interest rate swaps	Other assets	\$ 22	\$ 6
Interest rate swaps	Accrued expenses	—	1
Cross currency swaps	Prepaid expenses and other current assets	—	2
Cross currency swaps	Accrued expenses	9	3
Foreign currency forwards	Prepaid expenses and other current assets	2	—
Cash Flow Hedges:			
Fuel swaps	Prepaid expenses and other current assets	\$ —	\$ 1
Foreign currency forwards	Accrued expenses	1	—
Fuel swaps	Accrued expenses	8	2
Fuel swaps	Other assets	—	1
Fuel swaps	Other long-term liabilities	1	—
Net Investment Hedges:			
Cross currency swaps	Prepaid expenses and other current assets	\$ 18	\$ 4
Cross currency swaps	Other assets	20	—
Cross currency swaps	Accrued expenses	4	—
Cross currency swaps	Other long-term liabilities	43	10

Gains or losses recognized in the consolidated results of operations for cash flow hedging relationships are not significant for each of the periods presented. The location and amount of gains or losses recognized in the consolidated results of operations for fair value hedging relationships for each of the periods, presented on a pretax basis, are as follows:

	13-Week Period Ended		39-Week Period Ended	
	Mar. 29, 2025	Mar. 30, 2024	Mar. 29, 2025	Mar. 30, 2024
	(In millions)			
Total amounts of income and expense line items presented in the consolidated results of operations in which the effects of fair value hedges are recorded	\$ 158	\$ 168	\$ 501	\$ 464
Gain or (loss) on fair value hedging relationships:				
Interest rate swaps:				
Hedged items	\$ (35)	\$ 8	\$ (41)	\$ (23)
Derivatives designated as hedging instruments	24	(11)	16	11
Cross currency swaps and foreign currency forwards:				
Hedged items	\$ (1)	\$ 3	\$ 1	\$ 3
Derivatives designated as hedging instruments	1	(3)	(1)	(3)

The gains and losses on the fair value hedging relationships associated with the hedged items as disclosed in the table above consist of the following components for each of the periods presented:

	13-Week Period Ended		39-Week Period Ended	
	Mar. 29, 2025	Mar. 30, 2024	Mar. 29, 2025	Mar. 30, 2024
	(In millions)			
Interest expense	\$ (10)	\$ (7)	\$ (25)	\$ (10)
Increase (decrease) in fair value of debt	25	(15)	16	12
Foreign currency gain (loss)	(1)	3	1	3
Hedged items	<u>\$ (36)</u>	<u>\$ 11</u>	<u>\$ (40)</u>	<u>\$ (19)</u>

The location and effect of cash flow, net investment, and excluded components of fair value hedges on the consolidated statements of comprehensive income for the 13-week periods ended March 29, 2025 and March 30, 2024, presented on a pretax basis, are as follows:

13-Week Period Ended Mar. 29, 2025

	Amount of Gain or (Loss) Recognized in Other Comprehensive Income on Derivatives	Location of Gain or (Loss) Reclassified from Accumulated Other Comprehensive Income into Income	Amount of Gain or (Loss) Reclassified from Accumulated Other Comprehensive Income into Income
	(In millions)		(In millions)
Derivatives in cash flow hedging relationships:			
Fuel swaps	\$ 4	Operating expense	\$ 1
Derivatives in net investment hedging relationships:			
Cross currency contracts	\$ (8)	N/A	\$ —

13-Week Period Ended Mar. 30, 2024

	Amount of Gain or (Loss) Recognized in Other Comprehensive Income on Derivatives	Location of Gain or (Loss) Reclassified from Accumulated Other Comprehensive Income into Income	Amount of Gain or (Loss) Reclassified from Accumulated Other Comprehensive Income into Income
	(In millions)		(In millions)
Derivatives in cash flow hedging relationships:			
Fuel swaps	\$ 14	Operating expense	\$ —
Foreign currency contracts	1	Cost of sales / Other expense (income)	—
Total	\$ 15		\$ —
Derivatives in net investment hedging relationships:			
Cross currency contracts	\$ 9	N/A	\$ —

The location and effect of cash flow, net investment, and excluded components of fair value hedges on the consolidated statements of comprehensive income for the 39-week periods ended March 29, 2025 and March 30, 2024, presented on a pretax basis, are as follows:

39-Week Period Ended Mar. 29, 2025			
	Amount of Gain or (Loss) Recognized in Other Comprehensive Income on Derivatives (In millions)	Location of Gain or (Loss) Reclassified from Accumulated Other Comprehensive Income into Income	Amount of Gain or (Loss) Reclassified from Accumulated Other Comprehensive Income into Income (In millions)
Derivatives in cash flow hedging relationships:			
Fuel swaps	\$ (8)	Operating expense	\$ 6
Foreign currency contracts	(1)	Cost of sales / Other expense (income)	—
Total	<u>\$ (9)</u>		<u>\$ 6</u>
Derivatives in net investment hedging relationships:			
Cross currency contracts	\$ (4)	N/A	\$ —
Derivatives in fair value hedging relationships:			
Change in excluded component of fair value hedge	\$ (2)	Other expense (income)	\$ —
39-Week Period Ended Mar. 30, 2024			
	Amount of Gain or (Loss) Recognized in Other Comprehensive Income on Derivatives (In millions)	Location of Gain or (Loss) Reclassified from Accumulated Other Comprehensive Income into Income	Amount of Gain or (Loss) Reclassified from Accumulated Other Comprehensive Income into Income (In millions)
Derivatives in cash flow hedging relationships:			
Fuel swaps	\$ 24	Operating expense	\$ 3
Foreign currency contracts	—	Cost of sales / Other expense (income)	—
Total	<u>\$ 24</u>		<u>\$ 3</u>
Derivatives in net investment hedging relationships:			
Cross currency contracts	\$ (13)	N/A	\$ —

The location and carrying amount of hedged liabilities in the consolidated balance sheet as of March 29, 2025 are as follows:

	Mar. 29, 2025	
	Carrying Amount of Hedged Assets (Liabilities)	Cumulative Amount of Fair Value Hedging Adjustments Included in the Carrying Amount of Hedged Assets (Liabilities)
	(In millions)	
Balance sheet location:		
Long-term debt	\$ (1,060)	\$ 22

The carrying amount of hedged liabilities in the consolidated balance sheet as of June 29, 2024 is \$498 million.

7. DEBT

Sysco has a long-term revolving credit facility that includes aggregate commitments of the lenders thereunder of \$3.0 billion, with an option to increase such commitments to \$4.0 billion. As of March 29, 2025, there were no borrowings outstanding under this facility.

We have a U.S. commercial paper program allowing the company to issue short-term unsecured notes in an aggregate amount not to exceed \$3.0 billion. Any outstanding amounts are classified within long-term debt, as the program is supported by the long-term revolving credit facility. As of March 29, 2025, there were no commercial paper issuances outstanding under this program. We also have a commercial paper program in Europe with borrowings not to exceed €250 million. As of March 29, 2025, there were €155 million (the equivalent of \$169 million) in commercial paper issuances outstanding under this program.

On February 25, 2025, Sysco issued senior notes (the Notes) totaling \$1.25 billion. Details of the Notes are as follows:

Maturity Date	Par Value (In millions)	Coupon Rate	Pricing (percentage of par)
September 23, 2030 (the 2030 Notes)	\$ 700	5.10 %	99.975 %
March 23, 2035 (the 2035 Notes)	550	5.40	99.924

The Notes initially are fully and unconditionally guaranteed by Sysco's direct and indirect wholly owned subsidiaries that guarantee Sysco's other senior notes issued under the indenture governing the Notes or any of Sysco's other indebtedness. Interest on the Notes will be paid semi-annually in arrears on March 23 and September 23, beginning on September 23, 2025. At Sysco's option, any or all of the Notes may be redeemed, in whole or in part, at any time prior to maturity. If we elect to redeem (i) the 2030 Notes before the date that is one month prior to the maturity date, or (ii) the 2035 Notes before the date that is three months prior to the maturity date, Sysco will pay an amount equal to the greater of 100% of the principal amount of the Notes to be redeemed plus accrued and unpaid interest or the sum of the present values of the remaining scheduled payments of principal and interest on the Notes to be redeemed that would be due if such senior notes matured on the applicable date described above. If we elect to redeem a series of Notes on or after the applicable date described in the preceding sentence, Sysco will pay an amount equal to 100% of the principal amount of the Notes to be redeemed. Sysco will pay accrued and unpaid interest on the Notes redeemed to the redemption date.

The total carrying value of our debt was \$13.5 billion as of March 29, 2025 and \$12.0 billion as of June 29, 2024. The increase in the carrying value of our debt during the 39-week period ended March 29, 2025 was due to the issuance of senior notes and new leases in support of plant and equipment.

Information regarding the guarantors of our registered debt securities is contained in the section captioned *Guarantor Summarized Financial Information* in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Item 2 of Part I of this Form 10-Q.

8. EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted earnings per share:

	13-Week Period Ended		39-Week Period Ended	
	Mar. 29, 2025	Mar. 30, 2024	Mar. 29, 2025	Mar. 30, 2024
	(In millions, except for share and per share data)		(In millions, except for share and per share data)	
Numerator:				
Net earnings	\$ 401	\$ 425	\$ 1,297	\$ 1,343
Denominator:				
Weighted-average basic shares outstanding	487,519,382	499,642,505	490,080,591	503,027,209
Dilutive effect of share-based awards	1,812,078	2,278,941	1,893,168	1,946,197
Weighted-average diluted shares outstanding	489,331,460	501,921,446	491,973,759	504,973,406
Basic earnings per share	\$ 0.82	\$ 0.85	\$ 2.65	\$ 2.67
Diluted earnings per share	\$ 0.82	\$ 0.85	\$ 2.64	\$ 2.66

The number of securities that were not included in the diluted earnings per share calculation because the effect would have been anti-dilutive was approximately 4,667,000 and 1,938,000 for the third quarter of fiscal 2025 and 2024, respectively, and approximately 3,722,000 and 4,792,000 for the first 39 weeks of fiscal 2025 and 2024, respectively.

9. OTHER COMPREHENSIVE INCOME

Comprehensive income is net earnings plus certain other items that are recorded directly to shareholders' equity, such as foreign currency translation adjustment, amounts related to certain hedging arrangements, amounts related to pension and other postretirement plans and changes in marketable securities. Comprehensive income was \$542 million and \$384 million for the third quarter of fiscal 2025 and fiscal 2024, respectively. Comprehensive income was \$1.4 billion and \$1.4 billion for the first 39 weeks of fiscal 2025 and 2024, respectively.

A summary of the components of other comprehensive income (loss) and the related tax effects for each of the periods presented is as follows:

		13-Week Period Ended Mar. 29, 2025		
	Location of Expense (Income) Recognized in Net Earnings	Before Tax Amount	Tax	Net of Tax Amount
(In millions)				
Foreign currency translation:				
Foreign currency translation adjustment	N/A	\$ 136	\$ —	\$ 136
Hedging instruments:				
Other comprehensive income (loss) before reclassification adjustments:				
Change in cash flow hedges	Operating expenses	4	1	3
Change in net investment hedges	N/A	(8)	(2)	(6)
Total other comprehensive income before reclassification adjustments		(4)	(1)	(3)
Reclassification adjustments:				
Amortization of cash flow hedges	Interest expense	1	—	1
Pension and other postretirement benefit plans:				
Reclassification adjustments:				
Amortization of actuarial loss, net	Other expense (income), net	7	2	5
Total reclassification adjustments		7	2	5
Marketable securities:				
Change in marketable securities	Other expense (income), net	2	—	2
Total other comprehensive income (loss)		\$ 142	\$ 1	\$ 141

		13-Week Period Ended Mar. 30, 2024		
	Location of Expense (Income) Recognized in Net Earnings	Before Tax Amount	Tax	Net of Tax Amount
(In millions)				
Foreign currency translation:				
Foreign currency translation adjustment	N/A	\$ (67)	\$ —	\$ (67)
Hedging instruments:				
Other comprehensive income before reclassification adjustments:				
Change in cash flow hedges	Operating expenses	15	2	13
Change in net investment hedges	N/A	9	2	7
Total other comprehensive (loss) before reclassification adjustments		24	4	20
Reclassification adjustments:				
Amortization of cash flow hedges	Interest expense	3	1	2
Pension and other postretirement benefit plans:				
Reclassification adjustments:				
Amortization of actuarial loss, net	Other expense (income), net	7	2	5
Total reclassification adjustments		7	2	5
Marketable securities:				
Change in marketable securities	Other expense (income), net	(1)	—	(1)
Total other comprehensive income (loss)		\$ (34)	\$ 7	\$ (41)

		39-Week Period Ended Mar. 29, 2025		
	Location of Expense (Income) Recognized in Net Earnings	Before Tax Amount	Tax	Net of Tax Amount
(In millions)				
Foreign currency translation:				
Foreign currency translation adjustment	N/A	\$ 49	\$ —	\$ 49
Hedging instruments:				
Other comprehensive income (loss) before reclassification adjustments:				
Change in excluded component of fair value hedge	Other expense (income), net	(2)	—	(2)
Change in cash flow hedges	Operating expenses	(9)	(4)	(5)
Change in net investment hedges	N/A	(4)	(1)	(3)
Total other comprehensive (loss) before reclassification adjustments		(15)	(5)	(10)
Reclassification adjustments:				
Amortization of cash flow hedges	Interest expense	5	1	4
Pension and other postretirement benefit plans:				
Other comprehensive income before reclassification adjustments:				
Net actuarial gain arising in the current year		31	8	23
Reclassification adjustments:				
Amortization of actuarial loss, net	Other expense (income), net	21	6	15
Total reclassification adjustments		21	6	15
Marketable securities:				
Change in marketable securities	Other expense (income), net	3	—	3
Total other comprehensive income (loss)		\$ 94	\$ 10	\$ 84

		39-Week Period Ended Mar. 30, 2024		
	Location of Expense (Income) Recognized in Net Earnings	Before Tax Amount	Tax	Net of Tax Amount
(In millions)				
Foreign currency translation:				
Foreign currency translation adjustment	N/A	\$ (12)	\$ —	\$ (12)
Hedging instruments:				
Other comprehensive (loss) before reclassification adjustments:				
Change in cash flow hedges	Operating expenses	24	5	19
Change in net investment hedges	N/A	(13)	(3)	(10)
Total other comprehensive (loss) before reclassification adjustments		11	2	9
Reclassification adjustments:				
Amortization of cash flow hedges	Interest expense	9	2	7
Pension and other postretirement benefit plans:				
Other comprehensive income before reclassification adjustments:				
Net actuarial gain arising in the current year		1	—	1
Reclassification adjustments:				
Amortization of actuarial loss, net	Other expense (income), net	20	5	15
Total reclassification adjustments		20	5	15
Marketable securities:				
Change in marketable securities	Other expense (income), net	3	1	2
Total other comprehensive income		\$ 32	\$ 10	\$ 22

The following tables provide a summary of the changes in accumulated other comprehensive (loss) income for the periods presented:

13-Week Period Ended Mar. 29, 2025

	Foreign Currency Translation	Hedging, net of tax	Pension and Other Postretirement Benefit Plans, net of tax	Marketable Securities, net of tax	Total
	(In millions)				
Balance as of Dec. 28, 2024	\$ (494)	\$ (14)	\$ (884)	\$ (4)	\$ (1,396)
Equity adjustment from foreign currency translation	136	—	—	—	136
Amortization of cash flow hedges	—	1	—	—	1
Change in net investment hedges	—	(6)	—	—	(6)
Change in cash flow hedges	—	3	—	—	3
Amortization of unrecognized net actuarial losses	—	—	5	—	5
Change in marketable securities	—	—	—	2	2
Balance as of Mar. 29, 2025	<u>\$ (358)</u>	<u>\$ (16)</u>	<u>\$ (879)</u>	<u>\$ (2)</u>	<u>\$ (1,255)</u>

13-Week Period Ended Mar. 30, 2024

	Foreign Currency Translation	Hedging, net of tax	Pension and Other Postretirement Benefit Plans, net of tax	Marketable Securities, net of tax	Total
	(In millions)				
Balance as of Dec. 30, 2023	\$ (319)	\$ (38)	\$ (829)	\$ (4)	\$ (1,190)
Equity adjustment from foreign currency translation	(67)	—	—	—	(67)
Amortization of cash flow hedges	—	2	—	—	2
Change in net investment hedges	—	7	—	—	7
Change in cash flow hedges	—	13	—	—	13
Amortization of unrecognized net actuarial losses	—	—	5	—	5
Change in marketable securities	—	—	—	(1)	(1)
Balance as of Mar. 30, 2024	<u>\$ (386)</u>	<u>\$ (16)</u>	<u>\$ (824)</u>	<u>\$ (5)</u>	<u>\$ (1,231)</u>

39-Week Period Ended Mar. 29, 2025

	Foreign Currency Translation	Hedging, net of tax	Pension and Other Postretirement Benefit Plans, net of tax	Marketable Securities, net of tax	Total
	(In millions)				
Balance as of Jun. 29, 2024	\$ (407)	\$ (10)	\$ (917)	\$ (5)	\$ (1,339)
Equity adjustment from foreign currency translation	49	—	—	—	49
Amortization of cash flow hedges	—	4	—	—	4
Change in net investment hedges	—	(3)	—	—	(3)
Change in cash flow hedges	—	(5)	—	—	(5)
Change in excluded component of fair value hedge	—	(2)	—	—	(2)
Amortization of unrecognized net actuarial losses	—	—	15	—	15
Net actuarial loss arising in the current year	—	—	23	—	23
Change in marketable securities	—	—	—	3	3
Balance as of Mar. 29, 2025	<u>\$ (358)</u>	<u>\$ (16)</u>	<u>\$ (879)</u>	<u>\$ (2)</u>	<u>\$ (1,255)</u>

39-Week Period Ended Mar. 30, 2024

	Foreign Currency Translation	Hedging, net of tax	Pension and Other Postretirement Benefit Plans, net of tax	Marketable Securities, net of tax	Total
	(In millions)				
Balance as of Jul. 1, 2023	\$ (374)	\$ (32)	\$ (840)	\$ (7)	\$ (1,253)
Equity adjustment from foreign currency translation	(12)	—	—	—	(12)
Amortization of cash flow hedges	—	7	—	—	7
Change in net investment hedges	—	(10)	—	—	(10)
Change in cash flow hedges	—	19	—	—	19
Amortization of unrecognized net actuarial losses	—	—	15	—	15
Net actuarial gain arising in the current year	—	—	1	—	1
Change in marketable securities	—	—	—	2	2
Balance as of Mar. 30, 2024	<u>\$ (386)</u>	<u>\$ (16)</u>	<u>\$ (824)</u>	<u>\$ (5)</u>	<u>\$ (1,231)</u>

10. SHARE-BASED COMPENSATION

Sysco provides compensation benefits to employees under several share-based payment arrangements, including various long-term employee stock incentive plans and the 2015 Employee Stock Purchase Plan (ESPP).

Stock Incentive Plans

In the first 39 weeks of fiscal 2025, options to purchase 740,630 shares were granted to employees. The fair value of each option award is estimated as of the date of grant using a Black-Scholes option pricing model. The weighted average grant-date fair value per option granted during the first 39 weeks of fiscal 2025 was \$18.48.

In the first 39 weeks of fiscal 2025, employees were granted 494,034 performance share units (PSUs). Based on the jurisdiction in which the employee resides, some of these PSUs were granted with forfeitable dividend equivalents. The fair value of each PSU award granted with a dividend equivalent is based on the company's stock price as of the date of grant. For

PSUs granted without dividend equivalents, the fair value is reduced by the present value of expected dividends during the vesting period. The weighted average grant-date fair value per PSU granted during the first 39 weeks of fiscal 2025 was \$82.50. The PSUs will convert into shares of Sysco's common stock at the end of the three-year performance period based on actual performance targets achieved, as well as the market-based return of Sysco's common stock relative to that of each company within the S&P 500 index.

In the first 39 weeks of fiscal 2025, employees were granted 374,197 restricted stock units. The weighted average grant-date fair value per restricted stock unit granted during the first 39 weeks of fiscal 2025 was \$75.85.

Employee Stock Purchase Plan

Plan participants purchased 812,258 shares of common stock under the ESPP during the first 39 weeks of fiscal 2025. The weighted average fair value per employee stock purchase right issued pursuant to the ESPP was \$11.49 during the first 39 weeks of fiscal 2025. The fair value of each stock purchase right is estimated as the difference between the stock price at the date of issuance and the employee purchase price.

All Share-Based Payment Arrangements

The total share-based compensation cost that has been recognized in results of operations was \$74 million and \$77 million for the first 39 weeks of fiscal 2025 and fiscal 2024, respectively.

As of March 29, 2025, there was a total of \$110 million of unrecognized compensation cost related to share-based compensation arrangements. This cost is expected to be recognized over a weighted-average period of 1.83 years.

11. INCOME TAXES

Effective Tax Rate

The effective tax rates for the third quarter and first 39 weeks of fiscal 2025 were 23.3% and 23.6%, respectively, which are higher than the company's 21.0% statutory tax rate primarily as a result of state income taxes, partially offset by a foreign income tax benefit and equity-based compensation excess tax benefits.

The effective tax rates for the third quarter and first 39 weeks of fiscal 2024 were 23.3% and 23.7%, respectively, which are higher than the company's statutory tax rate primarily as a result of state income taxes, partially offset by a foreign income tax benefit and equity-based compensation excess tax benefits.

Uncertain Tax Positions

As of March 29, 2025, the gross amount of unrecognized tax benefit and related accrued interest was \$35 million and \$14 million, respectively. It is reasonably possible the amount of the unrecognized tax benefit with respect to certain unrecognized tax positions of the company will increase or decrease in the next 12 months. At this time, an estimate of the range of the reasonably possible change cannot be made.

During the third quarter of fiscal 2023, Sysco received a Statutory Notice of Deficiency from the Internal Revenue Service, mainly related to foreign tax credits generated in fiscal 2018 from repatriated earnings primarily from our Canadian operations. In the fourth quarter of fiscal 2023, the company filed suit in the U.S. Tax Court challenging the validity of certain tax regulations related to the one-time transition tax on unrepatriated foreign earnings, which were enacted as part of the Tax Cuts and Jobs Act of 2017 (TCJA). The lawsuit seeks to have the court invalidate these regulations, which would affirm the company's position regarding its foreign tax credits. Sysco has previously recorded a benefit of \$131 million attributable to its interpretation of the TCJA and the Internal Revenue Code. If we are ultimately unsuccessful in defending our position, we may be required to reverse all, or some portion, of the benefit previously recorded.

Other

On October 8, 2021, the Organization for Economic Co-operation and Development (OECD) announced the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting, which provides for a two-pillar solution to address tax challenges arising from the digitalization of the economy. Pillar One expands a country's authority to tax profits from companies that make sales into their country but do not have a physical location in the country. Pillar Two includes an agreement on international tax reform, including rules to ensure that large corporations pay a minimum rate of corporate income tax. On December 20, 2021, the OECD released Pillar Two Model Rules defining the global minimum tax, which calls for the taxation of large corporations at a minimum rate of 15%. Pillar Two became effective for Sysco at the beginning of fiscal 2025.

The determination of our provision for income taxes requires judgment, the use of estimates and the interpretation and application of complex tax laws. Our provision for income taxes reflects income earned and taxed in the various U.S. federal and state, as well as foreign jurisdictions. Tax law changes, increases or decreases in permanent book versus tax basis differences, accruals or adjustments of accruals for unrecognized tax benefits or valuation allowances, and our change in the mix of earnings from these taxing jurisdictions all affect the overall effective tax rate.

12. COMMITMENTS AND CONTINGENCIES

Legal Proceedings

Sysco is engaged in various legal proceedings that have arisen but have not been fully adjudicated. The likelihood of loss for these legal proceedings, based on definitions within contingency accounting literature, ranges from remote to reasonably possible to probable. When probable and reasonably estimable, the losses have been accrued. Although the final results of legal proceedings cannot be predicted with certainty, based on estimates of the range of potential losses associated with these matters, management does not believe the ultimate resolution of these proceedings, either individually or in the aggregate, will have a material adverse effect upon the consolidated financial position or results of operations of the company.

13. BUSINESS SEGMENT INFORMATION

Sysco distributes food and related products to restaurants, healthcare and educational facilities, lodging establishments and other foodservice customers. Our primary operations are located in North America and Europe. Under the accounting provisions related to disclosures about segments of an enterprise, we have aggregated certain operating segments into three reportable segments. "Other" financial information is attributable to our other operating segments that do not meet the quantitative disclosure thresholds.

- *U.S. Foodservice Operations* – primarily includes (a) our U.S. Broadline operations, which distribute a full line of food products, including custom-cut meat, seafood, produce, specialty Italian, specialty imports and a wide variety of non-food products and (b) our U.S. Specialty operations, which include our FreshPoint fresh produce distribution business, our Specialty Meats and Seafood Group specialty protein operations, our growing Italian Specialty platform anchored by Greco and Sons, Inc., our Edward Don restaurant equipment and supplies distribution business, our Asian specialty distribution company and a number of other small specialty businesses that are not material to our operations;
- *International Foodservice Operations* – includes operations outside of the U.S., which distribute a full line of food products and a wide variety of non-food products. The Americas primarily consists of operations in Canada, Bahamas, Costa Rica and Panama, as well as our export operations that distribute to international customers. Our European operations primarily consist of operations in the United Kingdom, France, Ireland and Sweden;
- *SYGMA* – our U.S. customized distribution operations serving quick-service chain restaurant customer locations; and
- *Other* – primarily our hotel supply operations, Guest Worldwide.

The accounting policies for the segments are the same as those disclosed by Sysco for its consolidated financial statements. Our Global Support Center expenses generally include all expenses of the corporate office and Sysco's shared service operations. Collectively, our Global Support Center provides numerous centralized services to our operating sites and performs support activities for employees, suppliers and customers. These services include customer and vendor contract administration, finance, legal, information technology, risk management and insurance, sales and marketing, merchandising, inbound logistics, human resources, and strategy. Expenses for the Global Support Center primarily consist of payroll costs for

employees assigned to these operations, including severance, if any, all U.S. share-based compensation costs, and certain information technology, self-insurance, and depreciation expenses.

The following tables set forth certain financial information for Sysco's reportable business segments:

	13-Week Period Ended		39-Week Period Ended	
	Mar. 29, 2025	Mar. 30, 2024	Mar. 29, 2025	Mar. 30, 2024
Sales:	(In millions)		(In millions)	
U.S. Foodservice Operations	\$ 13,800	\$ 13,707	\$ 42,206	\$ 40,925
International Foodservice Operations	3,457	3,494	10,978	10,773
SYGMA	2,084	1,904	6,246	5,724
Other	257	275	802	866
Total	<u>\$ 19,598</u>	<u>\$ 19,380</u>	<u>\$ 60,232</u>	<u>\$ 58,288</u>

	13-Week Period Ended		39-Week Period Ended	
	Mar. 29, 2025	Mar. 30, 2024	Mar. 29, 2025	Mar. 30, 2024
Operating income (loss):	(In millions)		(In millions)	
U.S. Foodservice Operations	\$ 754	\$ 852	\$ 2,496	\$ 2,632
International Foodservice Operations	96	84	292	260
SYGMA	17	17	54	46
Other	<u>(3)</u>	<u>6</u>	<u>9</u>	<u>27</u>
Total segments	864	959	2,851	2,965
Global Support Center	<u>(183)</u>	<u>(237)</u>	<u>(651)</u>	<u>(739)</u>
Total operating income	681	722	2,200	2,226
Interest expense	149	158	469	442
Other expense (income), net	9	10	32	23
Earnings before income taxes	<u>\$ 523</u>	<u>\$ 554</u>	<u>\$ 1,699</u>	<u>\$ 1,761</u>

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This discussion should be read in conjunction with our consolidated financial statements as of June 29, 2024, and for the fiscal year then ended, and Management's Discussion and Analysis of Financial Condition and Results of Operations, both contained in our Annual Report on Form 10-K for the fiscal year ended June 29, 2024 (our "fiscal 2024 Form 10-K"), as well as the consolidated financial statements (unaudited) and notes to the consolidated financial statements (unaudited) contained in this report.

Highlights

Our third quarter of fiscal 2025 results included sales growth of 1.1% as compared to the third quarter of fiscal 2024 primarily due to increased sales in our SYGMA and U.S. Foodservice Operations segments. Our gross profit decreased 0.8% compared to the third quarter of fiscal 2024, due to changes in customer mix attributable to national sales volumes outpacing local sales volumes and decreases in Sysco brand penetration rates. Operating income decreased 5.7% compared to the third quarter of fiscal 2024 and adjusted operating income decreased 3.3% as compared to the third quarter of fiscal 2024. These results reflect negative restaurant industry foot traffic partially attributable to lower levels of consumer confidence, and adverse weather and natural disasters. Our net earnings for the third quarter of fiscal 2025 decreased 5.6% as compared to the third quarter of fiscal 2024. Excluding Certain Item expenses, adjusted net earnings decreased by 2.9% as compared to the third quarter of fiscal 2024. See below for a comparison of our fiscal 2025 results to our fiscal 2024 results, both including and excluding Certain Items.

Comparisons of results from the third quarter of fiscal 2025 to the third quarter of fiscal 2024 are presented below:

- Sales:
 - increased 1.1%, or \$218 million, to \$19.6 billion;
- Operating income:
 - decreased 5.7%, or \$41 million, to \$681 million;
 - adjusted operating income decreased 3.3%, or \$26 million, to \$773 million;
- Net earnings:
 - decreased 5.6%, or \$24 million, to \$401 million;
 - adjusted net earnings decreased 2.9%, or \$14 million, to \$469 million;
- Basic earnings per share:
 - decreased 3.5%, or \$0.03, to \$0.82 per share;
- Diluted earnings per share:
 - decreased 3.5%, or \$0.03, to \$0.82 per share;
 - adjusted diluted earnings per share unchanged, at \$0.96;
- EBITDA:
 - decreased 2.5%, or \$23 million, to \$910 million; and
 - adjusted EBITDA decreased 0.8%, or \$8 million, to \$969 million.

Comparisons of results from the first 39 weeks of fiscal 2025 to the first 39 weeks of fiscal 2024 are presented below:

- Sales:
 - increased 3.3%, or \$1.9 billion, to \$60.2 billion;
- Operating income:
 - decreased 1.2%, or \$26 million, to \$2.2 billion;
 - adjusted operating income increased 1.3%, or \$30 million, to \$2.4 billion;
- Net earnings:
 - decreased 3.4%, or \$46 million, to \$1.3 billion;
 - adjusted net earnings decreased 0.5%, or \$7 million, to \$1.5 billion;
- Basic earnings per share:
 - decreased 0.7%, or \$0.02 to \$2.65 per share;
- Diluted earnings per share:
 - decreased 0.8%, or \$0.02, to \$2.64 per share;
 - adjusted diluted earnings per share increased 2.1%, or \$0.06, to \$2.98;
- EBITDA:
 - increased 0.9%, or \$27 million, to \$2.9 billion; and
 - adjusted EBITDA increased 2.6%, or \$77 million, to \$3.0 billion.

The discussion of our results includes certain non-GAAP financial measures, including EBITDA and adjusted EBITDA, that we believe provide important perspective with respect to underlying business trends. Other than EBITDA and free cash flow, any non-GAAP financial measures will be denoted as adjusted measures to remove: (1) restructuring charges; (2) expenses associated with our various transformation initiatives; (3) severance charges; and (4) acquisition-related costs consisting of (a) intangible amortization expense and (b) acquisition costs and due diligence costs related to our acquisitions.

The fiscal 2025 and fiscal 2024 items discussed above are collectively referred to as “Certain Items.” The results of our operations can be impacted by changes in exchange rates applicable to converting from local currencies to U.S. dollars. We measure our results on a constant currency basis.

Trends

Economic and Industry Trends

Foot traffic to restaurants decreased 3.1% for the third quarter of fiscal 2025, as compared to a decrease of 1.6% experienced in the second quarter of fiscal 2025. Winter storms throughout the U.S. and wildfires in the California region negatively affected foot traffic to restaurants during the third quarter of fiscal 2025. In addition, lower levels of consumer confidence due to macroeconomic conditions adversely impacted foot traffic trends during the quarter. Industry traffic trends, while still in a year-over-year decline, improved in March as compared to February. These trends have further modestly improved in April in comparison to March. We believe the food-away-from-home sector is a healthy long-term growth market, and Sysco is diversified and well positioned as a market leader in food service.

Sales and Gross Profit Trends

Sales increased 1.1% in the third quarter of fiscal 2025 as compared to the third quarter of fiscal 2024. Our sales and gross profit performance are influenced by multiple factors, including price, volume, inflation, customer mix and product mix. We experienced a 2.0% decrease and a 0.7% increase in U.S. Foodservice Operations case volume in the third quarter and first 39 weeks of fiscal 2025, respectively, as compared to the third quarter and first 39 weeks of fiscal 2024. Our volume growth trends were attributable to national volume growth remaining flat and local volume performance decreasing 3.5% in the third quarter of fiscal 2025 as compared to the third quarter of fiscal 2024. Our volume reflects our broadline and specialty businesses, except for our specialty meats business, which measures its volume in pounds.

We experienced inflation at a rate of 2.1% in the third quarter of fiscal 2025, at the total enterprise level, primarily driven by inflation in the dairy and meat categories. We continue to manage inflation by successfully passing on cost increases to our customers in a timely manner. We now expect net sales growth of approximately 3% for the full fiscal 2025 year, as compared to our previous fiscal 2025 sales growth target of 4-5%, as a result of lower than expected volume. Gross margin decreased 35 and 25 basis points in the third quarter and first 39 weeks of fiscal 2025, respectively, as compared to the third quarter and first 39 weeks of fiscal 2024, primarily due to a shift in our customer mix driven by national sales volumes outpacing local sales volumes and a decrease in Sysco brand penetration rates.

Operating Expense Trends

Total operating expenses increased 0.5% and 2.8% during the third quarter and first 39 weeks of fiscal 2025, respectively, as compared to the third quarter and first 39 weeks of fiscal 2024. Total adjusted operating expenses decreased 0.1% and increased 2.2% during the third quarter and first 39 weeks of fiscal 2025, respectively, as compared to the third quarter and first 39 weeks of fiscal 2024. Operating expenses increased primarily due to costs associated with expanded building capacity, including depreciation expense related to new facilities, sales headcount investments and higher supply chain labor rates, partially offset by lower annual bonus incentive compensation in the third quarter and first 39 weeks of fiscal 2025. Adjusted operating expenses were 14.3% and 14.2% of sales during the third quarter and first 39 weeks of fiscal 2025, respectively, which is a 17-basis point and 16-basis point improvement from the third quarter and first 39 weeks of fiscal 2024, respectively, due to lower annual bonus incentive compensation and recent supply chain and Global Support Center efficiency initiatives.

Earnings Per Share Trends

Reflecting the current uncertain macroeconomic environment, including concerns regarding consumer confidence, we expect earnings per share and adjusted earnings per share growth of approximately 1% for the full fiscal 2025 year, as

compared to our previous fiscal 2025 adjusted earnings per share growth target of 6-7% primarily due to lower than expected volume growth.

Divestitures

In the second quarter of fiscal 2025, we sold our interest in our joint venture partnership in Mexico, which was a part of our International Foodservice Operations. This operation was not significant to Sysco's business, and the divestiture will facilitate our efforts to improve our return on invested capital position.

Mergers and Acquisitions

In the second quarter of fiscal 2025, we acquired Campbells Prime Meat, a leading specialty meat business based in Scotland. By combining the Campbells Prime Meat product offering with our broadline business, this acquisition provides a strategic opportunity to enable total team selling in this region. This company's results are included within International Foodservice Operations and were not material to our results for the third quarter and first 39 weeks of fiscal 2025.

Strategy

Our purpose is "Connecting the World to Share Food and Care for One Another." Purpose-driven companies are believed to perform better. We believe our purpose will assist us to grow substantially faster than the foodservice distribution industry and deliver profitable growth through our Recipe for Growth transformation. This growth transformation is supported by strategic pillars that we believe will allow us to better serve our customers, including our digital, products and solutions, supply chain, customer teams, and future horizons strategies.

Our business transformation initiatives are progressing, which include promoting our specialty programs for produce, protein and Italian products, and our customer growth initiatives. From these actions, as a part of our Recipe for Growth, the benefits of our developing capabilities are apparent in the new customers we are winning and in the progress we are making toward increasing market share. We expect that, as our Recipe for Growth matures, the impact on our top-line growth will deliver profitable and consistent growth.

Results of Operations

The following table sets forth the components of our consolidated results of operations expressed as a percentage of sales for the periods indicated:

	13-Week Period Ended		39-Week Period Ended	
	Mar. 29, 2025	Mar. 30, 2024	Mar. 29, 2025	Mar. 30, 2024
Sales	100.0 %	100.0 %	100.0 %	100.0 %
Cost of sales	81.7	81.4	81.8	81.5
Gross profit	18.3	18.6	18.2	18.5
Operating expenses	14.8	14.9	14.5	14.7
Operating income	3.5	3.7	3.7	3.8
Interest expense	0.8	0.7	0.8	0.8
Other expense (income), net	—	0.1	0.1	—
Earnings before income taxes	2.7	2.9	2.8	3.0
Income taxes	0.7	0.7	0.6	0.7
Net earnings	2.0 %	2.2 %	2.2 %	2.3 %

The following table sets forth the change in the components of our consolidated results of operations expressed as a percentage increase or decrease over the comparable period in the prior year:

	13-Week Period Ended Mar. 29, 2025	39-Week Period Ended Mar. 29, 2025
Sales	1.1 %	3.3 %
Cost of sales	1.6	3.6
Gross profit	(0.8)	2.0
Operating expenses	0.5	2.8
Operating income	(5.7)	(1.2)
Interest expense	(5.7)	6.1
Other expense (income), net ^{(1) (2)}	(10.0)	39.1
Earnings before income taxes	(5.6)	(3.5)
Income taxes	(5.4)	(3.8)
Net earnings	(5.6)%	(3.4)%
Basic earnings per share	(3.5)%	(0.7)%
Diluted earnings per share	(3.5)	(0.8)
Average shares outstanding	(2.4)	(2.6)
Diluted shares outstanding	(2.5)	(2.6)

⁽¹⁾ Other expense (income), net was expense of \$9 million and \$10 million in the third quarter of fiscal 2025 and fiscal 2024, respectively.

⁽²⁾ Other expense (income), net was expense of \$32 million and \$23 million in the first 39 weeks of fiscal 2025 and fiscal 2024, respectively.

The following tables represent our results by reportable segments:

13-Week Period Ended Mar. 29, 2025						
	U.S. Foodservice Operations	International Foodservice Operations	SYGMA	Other	Global Support Center	Consolidated Totals
	(In millions)					
Sales	\$ 13,800	\$ 3,457	\$ 2,084	\$ 257	\$ —	\$ 19,598
Sales increase (decrease)	0.7 %	(1.1)%	9.5 %	(6.5)%		1.1 %
Percentage of total	70.4 %	17.6 %	10.6 %	1.4 %		100.0 %
Operating income (loss)	\$ 754	\$ 96	\$ 17	\$ (3)	\$ (183)	\$ 681
Operating income (loss) increase (decrease)	(11.5)%	14.3 %	NM	NM	(22.8)%	(5.7)%
Percentage of total segments	87.2 %	11.1 %	2.0 %	(0.3)%		100.0 %
Operating income as a percentage of sales	5.5 %	2.8 %	0.8 %	(1.2)%		3.5 %

13-Week Period Ended Mar. 30, 2024						
	U.S. Foodservice Operations	International Foodservice Operations	SYGMA	Other	Global Support Center	Consolidated Totals
	(In millions)					
Sales	\$ 13,707	\$ 3,494	\$ 1,904	\$ 275	\$ —	\$ 19,380
Percentage of total	70.7 %	18.0 %	9.8 %	1.5 %		100.0 %
Operating income (loss)	\$ 852	\$ 84	\$ 17	\$ 6	\$ (237)	\$ 722
Percentage of total segments	88.8 %	8.7 %	1.8 %	0.7 %		100.0 %
Operating income as a percentage of sales	6.2 %	2.4 %	0.9 %	2.3 %		3.7 %

39-Week Period Ended Mar. 29, 2025							
	U.S. Foodservice Operations	International Foodservice Operations	SYGMA	Other	Global Support Center	Consolidated Totals	
	(In millions)						
Sales	\$ 42,206	\$ 10,978	\$ 6,246	\$ 802	\$ —	\$ 60,232	
Sales increase (decrease)	3.1 %	1.9 %	9.1 %	(7.4)%		3.3 %	
Percentage of total	70.1 %	18.2 %	10.4 %	1.3 %		100.0 %	
Operating income (loss)	\$ 2,496	\$ 292	\$ 54	\$ 9	\$ (651)	\$ 2,200	
Operating income (loss) increase (decrease)	(5.2)%	12.3 %	17.4 %	(66.7)%	(11.9)%	(1.2)%	
Percentage of total segments	87.6 %	10.2 %	1.9 %	0.3 %		100.0 %	
Operating income as a percentage of sales	5.9 %	2.7 %	0.9 %	1.1 %		3.7 %	

39-Week Period Ended Mar. 30, 2024							
	U.S. Foodservice Operations	International Foodservice Operations	SYGMA	Other	Global Support Center	Consolidated Totals	
	(In millions)						
Sales	\$ 40,925	\$ 10,773	\$ 5,724	\$ 866	\$ —	\$ 58,288	
Percentage of total	70.2 %	18.5 %	9.8 %	1.5 %		100.0 %	
Operating income (loss)	\$ 2,632	\$ 260	\$ 46	\$ 27	\$ (739)	\$ 2,226	
Percentage of total segments	88.8 %	8.8 %	1.5 %	0.9 %		100.0 %	
Operating income as a percentage of sales	6.4 %	2.4 %	0.8 %	3.1 %		3.8 %	

Based on information in Note 13, “Business Segment Information,” in the Notes to Consolidated Financial Statements in Item 1 of Part I of this Form 10-Q, U.S. Foodservice Operations and International Foodservice Operations, collectively, represented approximately 88.1% and 88.3% of Sysco’s overall sales in the third quarter and first 39 weeks of fiscal 2025, respectively. U.S. Foodservice Operations and International Foodservice Operations, collectively, represented approximately 98.4% and 97.8% of total segment operating income, in the third quarter and first 39 weeks of fiscal 2025, respectively. This illustrates that these segments represent a substantial majority of our total segment results when compared to other reportable segments.

Results of U.S. Foodservice Operations

The following tables set forth a summary of the components of operating income expressed as a percentage increase or decrease over the comparable period in the prior year:

	13-Week Period Ended Mar. 29, 2025	13-Week Period Ended Mar. 30, 2024	Change in Dollars	% Change
	(Dollars in millions)			
Sales	\$ 13,800	\$ 13,707	\$ 93	0.7 %
Gross profit	2,603	2,653	(50)	(1.9)
Operating expenses	1,849	1,801	48	2.7
Operating income	<u>\$ 754</u>	<u>\$ 852</u>	<u>\$ (98)</u>	<u>(11.5)%</u>
Gross profit	\$ 2,603	\$ 2,653	\$ (50)	(1.9)%
Adjusted operating expenses (Non-GAAP)	1,813	1,778	35	2.0
Adjusted operating income (Non-GAAP)	<u>\$ 790</u>	<u>\$ 875</u>	<u>\$ (85)</u>	<u>(9.7)%</u>
	39-Week Period Ended Mar. 29, 2025	39-Week Period Ended Mar. 30, 2024	Change in Dollars	% Change
	(Dollars in millions)			
Sales	\$ 42,206	\$ 40,925	\$ 1,281	3.1 %
Gross profit	8,003	7,915	88	1.1
Operating expenses	5,507	5,283	224	4.2
Operating income	<u>\$ 2,496</u>	<u>\$ 2,632</u>	<u>\$ (136)</u>	<u>(5.2)%</u>
Gross profit	\$ 8,003	\$ 7,915	\$ 88	1.1 %
Adjusted operating expenses (Non-GAAP)	5,428	5,236	192	3.7
Adjusted operating income (Non-GAAP)	<u>\$ 2,575</u>	<u>\$ 2,679</u>	<u>\$ (104)</u>	<u>(3.9)%</u>

Sales

The following table sets forth the percentage and dollar value increase or decrease in the major factors impacting sales as compared to the corresponding prior year period in order to demonstrate the cause and magnitude of change:

Cause of change	Increase (Decrease)		Increase (Decrease)	
	13-Week Period		39-Week Period	
	(Dollars in millions)		(Dollars in millions)	
	Percentage	Dollars	Percentage	Dollars
Case volume ⁽¹⁾	(1.6)%	\$ (225)	0.6 %	\$ 245
Inflation	2.7	370	2.6	1,068
Other ⁽²⁾	(0.4)	(52)	(0.1)	(32)
Total change in sales	<u>0.7 %</u>	<u>\$ 93</u>	<u>3.1 %</u>	<u>\$ 1,281</u>

⁽¹⁾ Case volumes decreased 2.0% and increased 0.7% compared to the third quarter and first 39 weeks of fiscal 2024, respectively. This volume decrease resulted in a 1.6% decrease and 0.6% increase in the dollar value of sales compared to the third quarter and first 39 weeks of fiscal 2024, respectively.

⁽²⁾ Case volume reflects our broadline and specialty businesses, with the exception of our specialty meats business, which measures its volume in pounds. Any impact in volumes from these operations are included within "Other."

The sales growth in our U.S. Foodservice Operations was driven by higher inflation. Case volumes from our U.S. Foodservice Operations decreased 2.0% and increased 0.7% in the third quarter and first 39 weeks of fiscal 2025, respectively, as compared to the third quarter and first 39 weeks of fiscal 2024. This included a 3.5% decrease in local customer case volume in the third quarter of fiscal 2025 and a 1.4% decrease in the first 39 weeks of fiscal 2025. Case volumes have been negatively impacted by foot traffic to restaurant trends in the third quarter and first 39 weeks of fiscal 2025.

Operating Income

The decrease in operating income for the third quarter and first 39 weeks of fiscal 2025, respectively, as compared to the third quarter and first 39 weeks of fiscal 2024, was primarily driven by an increase in operating expenses. The decrease in operating income in the third quarter of fiscal 2025 was also driven by a decrease in case volume and gross profit dollars. The decrease in operating income in the first 39 weeks of fiscal 2025 was partially offset by gross profit dollar growth and case volume growth, inclusive of benefits from acquisitions.

Gross profit dollars decreased in the third quarter of fiscal 2025 as compared to the third quarter of fiscal 2024, primarily as a result of case volume decreases and changes in customer mix. Gross profit dollars increased in the first 39 weeks of fiscal 2025 as compared to the first 39 weeks of fiscal 2024 as a result of case volume growth inclusive of benefits from acquisitions and effective management of product cost fluctuations. The estimated change in product costs, an internal measure of inflation or deflation, increased in the third quarter and first 39 weeks of fiscal 2025. Gross margin, which is gross profit as a percentage of sales, was 18.9% and 19.0% in the third quarter and first 39 weeks of fiscal 2025, respectively, for our U.S. Foodservice Operations, which was a decrease of 50 basis points compared to gross margin of 19.4% in the third quarter of fiscal 2024, and a decrease of 38 basis points compared to a gross margin of 19.3% in the first 39 weeks of fiscal 2024, primarily due to a shift in our customer mix driven by national sales volumes outpacing local sales volumes and a decrease in Sysco brand penetration rates.

The increase in operating expenses for the third quarter and first 39 weeks of fiscal 2025, as compared to the third quarter and first 39 weeks of fiscal 2024, was primarily driven by increases in colleague-related costs, depreciation expense, and bad debt expense, partially offset by lower annual bonus incentive compensation.

Results of International Foodservice Operations

The following table sets forth a summary of the components of operating income and adjusted operating income expressed as a percentage increase or decrease over the comparable period in the prior year:

	13-Week Period Ended Mar. 29, 2025	13-Week Period Ended Mar. 30, 2024	Change in Dollars	% Change
	(Dollars in millions)			
Sales	\$ 3,457	\$ 3,494	\$ (37)	(1.1)%
Gross profit	728	720	8	1.1
Operating expenses	632	636	(4)	(0.6)
Operating income	<u>\$ 96</u>	<u>\$ 84</u>	<u>\$ 12</u>	<u>14.3 %</u>
Gross profit	\$ 728	\$ 720	\$ 8	1.1 %
Adjusted operating expenses (Non-GAAP)	600	611	(11)	(1.8)
Adjusted operating income (Non-GAAP)	<u>\$ 128</u>	<u>\$ 109</u>	<u>\$ 19</u>	<u>17.4 %</u>
Sales on a constant currency basis (Non-GAAP)	\$ 3,571	\$ 3,494	\$ 77	2.2 %
Gross profit on a constant currency basis (Non-GAAP)	749	720	29	4.0
Adjusted operating expenses on a constant currency basis (Non-GAAP)	617	611	6	1.0
Adjusted operating income on a constant currency basis (Non-GAAP)	<u>\$ 132</u>	<u>\$ 109</u>	<u>\$ 23</u>	<u>21.1 %</u>
	39-Week Period Ended Mar. 29, 2025	39-Week Period Ended Mar. 30, 2024	Change in Dollars	% Change
	(Dollars in millions)			
Sales	\$ 10,978	\$ 10,773	\$ 205	1.9 %
Gross profit	2,262	2,160	102	4.7
Operating expenses	1,970	1,900	70	3.7
Operating income	<u>\$ 292</u>	<u>\$ 260</u>	<u>\$ 32</u>	<u>12.3 %</u>
Gross profit	\$ 2,262	\$ 2,160	\$ 102	4.7 %
Adjusted operating expenses (Non-GAAP)	1,875	1,832	43	2.3
Adjusted operating income (Non-GAAP)	<u>\$ 387</u>	<u>\$ 328</u>	<u>\$ 59</u>	<u>18.0 %</u>
Sales on a constant currency basis (Non-GAAP)	\$ 11,107	\$ 10,773	\$ 334	3.1 %
Gross profit on a constant currency basis (Non-GAAP)	2,278	2,160	118	5.5
Adjusted operating expenses on a constant currency basis (Non-GAAP)	1,887	1,832	55	3.0
Adjusted operating income on a constant currency basis (Non-GAAP)	<u>\$ 391</u>	<u>\$ 328</u>	<u>\$ 63</u>	<u>19.2 %</u>

Sales

The following tables set forth the percentage and dollar value increase or decrease in the major components impacting sales as compared to the corresponding prior year period in order to demonstrate the cause and magnitude of change.

Cause of change	Increase (Decrease)		Increase (Decrease)	
	13-Week Period		39-Week Period	
	(Dollars in millions)		(Dollars in millions)	
	Percentage	Dollars	Percentage	Dollars
Inflation	2.6 %	\$ 89	1.6 %	\$ 170
Foreign currency	(3.3)	(114)	(1.2)	(129)
Other ⁽¹⁾	(0.4)	(12)	1.5	164
Total change in sales	(1.1)%	\$ (37)	1.9 %	\$ 205

⁽¹⁾ The impact of volumes as a component of sales growth from international operations are included within "Other."

Sales for the third quarter of fiscal 2025 decreased by 1.1% as compared to the third quarter of fiscal 2024, primarily due to the impacts of exchange rate fluctuations, partially offset by higher inflation. Sales increased by 1.9% in the first 39 weeks of fiscal 2025 as compared to the first 39 weeks of fiscal 2024, primarily due to higher inflation, partially offset by impacts of exchange rate fluctuations. Excluding the impact of the Mexico joint venture, which was divested in the second quarter of fiscal 2025, sales increased 2.5% in the third quarter of fiscal 2025 as compared to the third quarter of fiscal 2024.

Operating Income

The increase in operating income for the third quarter and first 39 weeks of fiscal 2025, as compared to the third quarter and first 39 weeks of fiscal 2024, was primarily due to growth in local case volumes, success in our strategic sourcing program, and positive contributions from our recent mergers and acquisitions efforts.

The increase in gross profit dollars in the third quarter and first 39 weeks of fiscal 2025, as compared to the third quarter and first 39 weeks of fiscal 2024, was primarily attributable to increases in local case volumes. Local case volumes increased 4.5% in the third quarter of fiscal 2025 compared to the third quarter of fiscal 2024.

Operating expenses decreased by 0.6% in the third quarter of fiscal 2025, as compared to the third quarter of fiscal 2024, which is primarily attributable to the joint venture in Mexico that was divested in the second quarter of fiscal 2025. Operating expenses increased by 3.7% in the first 39 weeks of fiscal 2025 as compared to the first 39 weeks of fiscal 2024, primarily due to increases in colleague-related costs, depreciation expense, and other miscellaneous costs.

Results of SYGMA and Other Segment

SYGMA segment sales were 9.5% and 9.1% higher in the third quarter and first 39 weeks of fiscal 2025, respectively, as compared to the third quarter and first 39 weeks of fiscal 2024, primarily driven by the growth of new customers. Operating income was unchanged in the third quarter of fiscal 2025 as compared to the third quarter of fiscal 2024 and increased \$8 million in the first 39 weeks of fiscal 2025 as compared to the first 39 weeks of fiscal 2024, primarily due to the growth of new customers and the improvement of profits from strengthening productivity.

For the operations that are grouped within Other, operating income decreased \$9 million and \$18 million in the third quarter and first 39 weeks of fiscal 2025, respectively, as compared to the third quarter and first 39 weeks of fiscal 2024. The operations of this group primarily consist of our hospitality business, Guest Worldwide.

Global Support Center Expenses

Our Global Support Center generally includes all expenses of the corporate office and Sysco's shared service operations. These expenses in the third quarter of fiscal 2025 decreased \$42 million, or 16.9%, as compared to the third quarter of fiscal 2024, primarily due to decreases in colleague-related costs, including lower annual bonus incentive compensation, and other miscellaneous costs. These expenses in the first 39 weeks of fiscal 2025 decreased \$78 million, or 10.3%, as compared to the first 39 weeks of fiscal 2024, primarily due to decreases in colleague-related costs, including lower annual bonus incentive compensation, and other miscellaneous costs.

Included in Global Support Center expenses are Certain Items that totaled \$24 million and \$54 million in the third quarter and first 39 weeks of fiscal 2025, as compared to \$29 million and \$57 million in the third quarter and first 39 weeks of fiscal 2024, respectively. Certain Items impacting the third quarter and first 39 weeks of fiscal 2025 were primarily expenses associated with severances, our business technology transformation initiatives and expenses associated with acquisitions. Certain Items impacting the third quarter and first 39 weeks of fiscal 2024 were primarily expenses associated with severances, our business technology transformation initiatives and expenses associated with acquisitions.

Interest Expense

Interest expense decreased \$9 million and increased \$27 million for the third quarter and first 39 weeks of fiscal 2025, respectively, as compared to the third quarter and first 39 weeks of fiscal 2024. Interest expense incurred in a period is dependent upon the amount of commercial paper and senior notes outstanding, obligations under finance leases, and interest rates on outstanding borrowings and obligations. The \$27 million increase in the first 39 weeks of fiscal 2025 as compared to the first 39 weeks of fiscal 2024 is attributable to interest on new senior notes issued and an increase in interest on outstanding commercial paper balances.

Net Earnings

Net earnings decreased 5.6% and 3.4% in the third quarter and first 39 weeks of fiscal 2025, respectively, as compared to the third quarter and first 39 weeks of fiscal 2024, primarily due to the items noted above for operating income, and interest expense, as well as items impacting our income taxes that are discussed in Note 11, "Income Taxes," in the Notes to Consolidated Financial Statements in Item 1 of Part I of this Form 10-Q. Adjusted net earnings, excluding Certain Items, decreased 2.9% and 0.5% in the third quarter and first 39 weeks of fiscal 2025, respectively, primarily due to decreases in sales volumes, as well as gross margins being negatively impacted by changes in customer mix and a decrease in Sysco brand penetration.

Earnings Per Share

Basic earnings per share in the third quarter of fiscal 2025 were \$0.82, a 3.5% decrease from the comparable prior year period amount of \$0.85 per share. Diluted earnings per share in the third quarter of fiscal 2025 were \$0.82, a 3.5% decrease from the comparable prior year period amount of \$0.85 per share. Adjusted diluted earnings per share, excluding Certain Items, in the third quarter of fiscal 2025 were \$0.96, which is unchanged from the comparable prior year amount of \$0.96 per share.

Basic earnings per share in the first 39 weeks of fiscal 2025 were \$2.65, a 0.7% decrease from the comparable prior year amount of \$2.67 per share. Diluted earnings per share in the first 39 weeks of fiscal 2025 were \$2.64, a 0.8% decrease from the comparable prior year period amount of \$2.66 per share. Adjusted diluted earnings per share, excluding Certain Items, in the first 39 weeks of fiscal 2025 were \$2.98, a 2.1% increase from the comparable prior year amount of \$2.92 per share.

Non-GAAP Reconciliations

The discussion of our results includes certain non-GAAP financial measures, including EBITDA and adjusted EBITDA, that we believe provide important perspective with respect to underlying business trends. Other than EBITDA and free cash flow, any non-GAAP financial measures will be denoted as adjusted measures to remove: (1) restructuring charges; (2) expenses associated with our various transformation initiatives; (3) severance charges; and (4) acquisition-related costs consisting of (a) intangible amortization expense and (b) acquisition costs and due diligence costs related to our acquisitions.

The results of our operations can be impacted due to changes in exchange rates applicable in converting local currencies to U.S. dollars. We measure our results on a constant currency basis. Constant currency operating results are calculated by translating current-period local currency operating results with the currency exchange rates used to translate the financial statements in the comparable prior-year period to determine what the current-period U.S. dollar operating results would have been if the currency exchange rate had not changed from the comparable prior-year period. We also measure our sales growth excluding the impact of our joint venture in Mexico which was divested in the second quarter of fiscal 2025.

Management believes that adjusting its operating expenses, operating income, operating margin, net earnings and diluted earnings per share to remove these Certain Items, presenting its results on a constant currency basis, and adjusting its results to exclude the impact of its joint venture in Mexico provides an important perspective with respect to our underlying business trends and results. It provides meaningful supplemental information to both management and investors that (1) is indicative of the performance of the company's underlying operations and (2) facilitates comparisons on a year-over-year basis.

Sysco has a history of growth through acquisitions and excludes from its non-GAAP financial measures the impact of acquisition-related intangible amortization, acquisition costs and due diligence costs for those acquisitions. We believe this approach significantly enhances the comparability of Sysco's results for fiscal year 2025 and fiscal year 2024.

Set forth on the following page is a reconciliation of sales, operating expenses, operating income, net earnings and diluted earnings per share to adjusted results for these measures for the periods presented. Individual components of diluted earnings per share may not be equal to the total presented when added due to rounding. Adjusted diluted earnings per share is calculated using adjusted net earnings divided by diluted shares outstanding.

	13-Week Period Ended Mar. 29, 2025	13-Week Period Ended Mar. 30, 2024	Change in Dollars	%/bps Change
Sales (GAAP)	\$ 19,598	\$ 19,380	\$ 218	1.1 %
Impact of Mexico joint venture sales	—	(120)	120	0.7
Comparable sales excluding Mexico joint venture (Non-GAAP)	<u>\$ 19,598</u>	<u>\$ 19,260</u>	<u>\$ 338</u>	<u>1.8 %</u>
Sales (GAAP)	\$ 19,598	\$ 19,380	\$ 218	1.1 %
Impact of currency fluctuations ⁽¹⁾	117		117	0.6
Comparable sales using a constant currency basis (Non-GAAP)	<u>\$ 19,715</u>	<u>\$ 19,380</u>	<u>\$ 335</u>	<u>1.7 %</u>
Cost of sales (GAAP)	\$ 16,017	\$ 15,771	\$ 246	1.6 %
Gross profit (GAAP)	\$ 3,581	\$ 3,609	\$ (28)	(0.8)%
Impact of currency fluctuations ⁽¹⁾	22		22	0.6
Comparable gross profit adjusted for Certain Items using a constant currency basis (Non-GAAP)	<u>\$ 3,603</u>	<u>\$ 3,609</u>	<u>\$ (6)</u>	<u>(0.2)%</u>
Gross margin (GAAP)	18.27 %	18.62 %		-35 bps
Impact of currency fluctuations ⁽¹⁾	0.01			1 bp
Comparable gross margin adjusted for Certain Items using a constant currency basis (Non-GAAP)	<u>18.28 %</u>	<u>18.62 %</u>		<u>-34 bps</u>
Operating expenses (GAAP)	\$ 2,900	\$ 2,887	\$ 13	0.5 %

	13-Week Period Ended Mar. 29, 2025	13-Week Period Ended Mar. 30, 2024	Change in Dollars	%/bps Change
Impact of restructuring and transformational project costs ⁽²⁾	(50)	(28)	(22)	(78.6)
Impact of acquisition-related costs ⁽³⁾	(42)	(49)	7	14.3
Operating expenses adjusted for Certain Items (Non-GAAP)	2,808	2,810	(2)	(0.1)
Impact of currency fluctuations ⁽¹⁾	18		18	0.7
Comparable operating expenses adjusted for Certain Items using a constant currency basis (Non-GAAP)	\$ 2,826	\$ 2,810	\$ 16	0.6 %
Operating expense as a percentage of sales (GAAP)	14.80 %	14.90 %		-10 bps
Impact of certain item adjustments	(0.47)	(0.40)		-7 bps
Adjusted operating expense as a percentage of sales (Non-GAAP)	14.33 %	14.50 %		-17 bps
Operating income (GAAP)	\$ 681	\$ 722	\$ (41)	(5.7)%
Impact of restructuring and transformational project costs ⁽²⁾	50	28	22	78.6
Impact of acquisition-related costs ⁽³⁾	42	49	(7)	(14.3)
Operating income adjusted for Certain Items (Non-GAAP)	773	799	(26)	(3.3)
Impact of currency fluctuations ⁽¹⁾	4		4	0.5
Comparable operating income adjusted for Certain Items using a constant currency basis (Non-GAAP)	\$ 777	\$ 799	\$ (22)	(2.8)%
Operating margin (GAAP)	3.47 %	3.73 %		-26 bps
Operating margin adjusted for Certain Items (Non-GAAP)	3.94 %	4.12 %		-18 bps
Operating margin adjusted for Certain Items using a constant currency basis (Non-GAAP)	3.94 %	4.12 %		-18 bps
Net earnings (GAAP)	\$ 401	\$ 425	\$ (24)	(5.6)%
Impact of restructuring and transformational project costs ⁽²⁾	50	28	22	78.6
Impact of acquisition-related costs ⁽³⁾	42	49	(7)	(14.3)
Tax impact of restructuring and transformational project costs ⁽⁴⁾	(13)	(7)	(6)	(85.7)
Tax impact of acquisition-related costs ⁽⁴⁾	(11)	(12)	1	8.3
Net earnings adjusted for Certain Items (Non-GAAP)	\$ 469	\$ 483	\$ (14)	(2.9)%
Diluted earnings per share (GAAP)	\$ 0.82	\$ 0.85	\$ (0.03)	(3.5)%
Impact of restructuring and transformational project costs ⁽²⁾	0.10	0.06	0.04	66.7
Impact of acquisition-related costs ⁽³⁾	0.09	0.10	(0.01)	(10.0)
Tax impact of restructuring and transformational project costs ⁽⁴⁾	(0.03)	(0.01)	(0.02)	NM
Tax impact of acquisition-related costs ⁽⁴⁾	(0.02)	(0.02)	—	—
Diluted earnings per share adjusted for Certain Items (Non-GAAP) ⁽⁵⁾	\$ 0.96	\$ 0.96	\$ —	— %

- (1) Represents a constant currency adjustment, which eliminates the impact of foreign currency fluctuations on the current year results.
- (2) Fiscal 2025 includes \$15 million related to restructuring and severance charges and \$35 million related to various transformation initiative costs, primarily consisting of supply chain transformation costs and changes to our business technology strategy. Fiscal 2024 includes \$13 million related to restructuring and severance charges and \$15 million related to various transformation initiative costs, primarily consisting of changes to our business technology strategy.
- (3) Fiscal 2025 includes \$32 million of intangible amortization expense and \$10 million in acquisition and due diligence costs. Fiscal 2024 includes \$32 million of intangible amortization expense and \$17 million in acquisition and due diligence costs.
- (4) The tax impact of adjustments for Certain Items are calculated by multiplying the pretax impact of each Certain Item by the statutory rates in effect for each jurisdiction where the Certain Item was incurred.
- (5) Individual components of diluted earnings per share may not equal the total presented when added due to rounding. Total diluted earnings per share is calculated using adjusted net earnings divided by diluted shares outstanding.
- NM Represents that the percentage change is not meaningful.

	39-Week Period Ended Mar. 29, 2025	39-Week Period Ended Mar. 30, 2024	Change in Dollars	%/bps Change
Sales (GAAP)	\$ 60,232	\$ 58,288	\$ 1,944	3.3 %
Impact of currency fluctuations ⁽¹⁾	133	133	133	0.3
Comparable sales using a constant currency basis (Non-GAAP)	<u>\$ 60,365</u>	<u>\$ 58,288</u>	<u>\$ 2,077</u>	<u>3.6 %</u>
Cost of sales (GAAP)	\$ 49,249	\$ 47,518	\$ 1,731	3.6 %
Gross profit (GAAP)	\$ 10,983	\$ 10,770	\$ 213	2.0 %
Impact of currency fluctuations ⁽¹⁾	18	18	18	0.1
Comparable gross profit adjusted for Certain Items using a constant currency basis (Non-GAAP)	<u>\$ 11,001</u>	<u>\$ 10,770</u>	<u>\$ 231</u>	<u>2.1 %</u>
Gross margin (GAAP)	18.23 %	18.48 %		-25 bps
Impact of currency fluctuations ⁽¹⁾	(0.01)			-1 bps
Comparable gross margin adjusted for Certain Items using a constant currency basis (Non-GAAP)	<u>18.22 %</u>	<u>18.48 %</u>		<u>-26 bps</u>
Operating expenses (GAAP)	\$ 8,783	\$ 8,544	\$ 239	2.8 %
Impact of restructuring and transformational project costs ⁽²⁾	(107)	(59)	(48)	(81.4)
Impact of acquisition-related costs ⁽³⁾	(121)	(113)	(8)	(7.1)
Operating expenses adjusted for Certain Items (Non-GAAP)	8,555	8,372	183	2.2
Impact of currency fluctuations ⁽¹⁾	12	12	12	0.1
Comparable operating expenses adjusted for Certain Items using a constant currency basis (Non-GAAP)	<u>\$ 8,567</u>	<u>\$ 8,372</u>	<u>\$ 195</u>	<u>2.3 %</u>
Operating expense as a percentage of sales (GAAP)	14.58 %	14.66 %		-8 bps
Impact of certain item adjustments	(0.38)	(0.30)		-8 bps
Adjusted operating expense as a percentage of sales (Non-GAAP)	<u>14.20 %</u>	<u>14.36 %</u>		<u>-16 bps</u>
Operating income (GAAP)	\$ 2,200	\$ 2,226	\$ (26)	(1.2)%
Impact of restructuring and transformational project costs ⁽²⁾	107	59	48	81.4
Impact of acquisition-related costs ⁽³⁾	121	113	8	7.1
Operating income adjusted for Certain Items (Non-GAAP)	2,428	2,398	30	1.3
Impact of currency fluctuations ⁽¹⁾	6	6	6	0.2
Comparable operating income adjusted for Certain Items using a constant currency basis (Non-GAAP)	<u>\$ 2,434</u>	<u>\$ 2,398</u>	<u>\$ 36</u>	<u>1.5 %</u>
Operating margin (GAAP)	3.65 %	3.82 %		-17 bps
Operating margin adjusted for Certain Items (Non-GAAP)	4.03 %	4.11 %		-8 bps
Operating margin adjusted for Certain Items using a constant currency basis (Non-GAAP)	4.03 %	4.11 %		-8 bps
Net earnings (GAAP)	\$ 1,297	\$ 1,343	\$ (46)	(3.4)%
Impact of restructuring and transformational project costs ⁽²⁾	107	59	48	81.4
Impact of acquisition-related costs ⁽³⁾	121	113	8	7.1
Tax impact of restructuring and transformational project costs ⁽⁴⁾	(27)	(14)	(13)	(92.9)
Tax impact of acquisition-related costs ⁽⁴⁾	(31)	(27)	(4)	(14.8)
Net earnings adjusted for Certain Items (Non-GAAP)	<u>\$ 1,467</u>	<u>\$ 1,474</u>	<u>\$ (7)</u>	<u>(0.5)%</u>

	39-Week Period Ended Mar. 29, 2025	39-Week Period Ended Mar. 30, 2024	Change in Dollars	%/bps Change
Diluted earnings per share (GAAP)	\$ 2.64	\$ 2.66	\$ (0.02)	(0.8)%
Impact of restructuring and transformational project costs ⁽²⁾	0.22	0.12	0.10	83.3
Impact of acquisition-related costs ⁽³⁾	0.25	0.22	0.03	13.6
Tax impact of restructuring and transformational project costs ⁽⁴⁾	(0.05)	(0.03)	(0.02)	(66.7)
Tax impact of acquisition-related costs ⁽⁴⁾	(0.06)	(0.05)	(0.01)	(20.0)
Diluted earnings per share adjusted for Certain Items (Non-GAAP) ⁽⁵⁾	\$ 2.98	\$ 2.92	\$ 0.06	2.1 %

(1) Represents a constant currency adjustment which eliminates the impact of foreign currency fluctuations on the current year results.

(2) Fiscal 2025 includes \$31 million related to restructuring and severance charges and \$76 million related to various transformation initiative costs, primarily consisting of supply chain transformation costs and changes to our business technology strategy. Fiscal 2024 includes \$21 million related to restructuring and severance charges and \$38 million related to various transformation initiative costs, primarily consisting of changes to our business technology strategy.

(3) Fiscal 2025 includes \$97 million of intangible amortization expense and \$24 million in acquisition and due diligence costs. Fiscal 2024 includes \$91 million of intangible amortization expense and \$22 million in acquisition and due diligence costs.

(4) The tax impact of adjustments for Certain Items is calculated by multiplying the pretax impact of each Certain Item by the statutory rates in effect for each jurisdiction where the Certain Item was incurred.

(5) Individual components of diluted earnings per share may not add up to the total presented due to rounding. Total diluted earnings per share is calculated using adjusted net earnings divided by diluted shares outstanding.

NM Represents that the percentage change is not meaningful.

	13-Week Period Ended Mar. 29, 2025	13-Week Period Ended Mar. 30, 2024	Change in Dollars	%/bps Change
U.S. FOODSERVICE OPERATIONS				
Operating expenses (GAAP)	\$ 1,849	\$ 1,801	\$ 48	2.7 %
Impact of restructuring and transformational project costs ⁽¹⁾	(16)	(6)	(10)	NM
Impact of acquisition-related costs ⁽²⁾	(20)	(17)	(3)	(17.6)
Operating expenses adjusted for Certain Items (Non-GAAP)	<u>\$ 1,813</u>	<u>\$ 1,778</u>	<u>\$ 35</u>	<u>2.0 %</u>
Operating income (GAAP)	\$ 754	\$ 852	\$ (98)	(11.5)%
Impact of restructuring and transformational project costs ⁽¹⁾	16	6	10	NM
Impact of acquisition-related costs ⁽²⁾	20	17	3	17.6
Operating income adjusted for Certain Items (Non-GAAP)	<u>\$ 790</u>	<u>\$ 875</u>	<u>\$ (85)</u>	<u>(9.7)%</u>
INTERNATIONAL FOODSERVICE OPERATIONS				
Sales (GAAP)	\$ 3,457	\$ 3,494	\$ (37)	(1.1)%
Impact of Mexico joint venture sales	—	(120)	120	3.6
Comparable sales excluding Mexico joint venture (Non-GAAP)	<u>\$ 3,457</u>	<u>\$ 3,374</u>	<u>\$ 83</u>	<u>2.5 %</u>
Sales (GAAP)	\$ 3,457	\$ 3,494	\$ (37)	(1.1)%
Impact of currency fluctuations ⁽³⁾	114	114	114	3.3
Comparable sales using a constant currency basis (Non-GAAP)	<u>\$ 3,571</u>	<u>\$ 3,494</u>	<u>\$ 77</u>	<u>2.2 %</u>
Gross profit (GAAP)	\$ 728	\$ 720	\$ 8	1.1 %
Impact of currency fluctuations ⁽³⁾	21	21	21	2.9
Comparable gross profit using a constant currency basis (Non-GAAP)	<u>\$ 749</u>	<u>\$ 720</u>	<u>\$ 29</u>	<u>4.0 %</u>
Gross margin (GAAP)	21.06 %	20.61 %		45 bps
Impact of currency fluctuations ⁽³⁾	(0.09)			-9 bps
Comparable gross margin using a constant currency basis (Non-GAAP)	<u>20.97 %</u>	<u>20.61 %</u>		<u>36 bps</u>
Operating expenses (GAAP)	\$ 632	\$ 636	\$ (4)	(0.6)%
Impact of restructuring and transformational project costs ⁽⁴⁾	(13)	(7)	(6)	(85.7)
Impact of acquisition-related costs ⁽⁵⁾	(19)	(18)	(1)	(5.6)
Operating expenses adjusted for Certain Items (Non-GAAP)	600	611	(11)	(1.8)
Impact of currency fluctuations ⁽³⁾	17	17	17	2.8
Comparable operating expenses adjusted for Certain Items using a constant currency basis (Non-GAAP)	<u>\$ 617</u>	<u>\$ 611</u>	<u>\$ 6</u>	<u>1.0 %</u>
Operating income (GAAP)	\$ 96	\$ 84	\$ 12	14.3 %
Impact of restructuring and transformational project costs ⁽⁴⁾	13	7	6	85.7
Impact of acquisition-related costs ⁽⁵⁾	19	18	1	5.6
Operating income adjusted for Certain Items (Non-GAAP)	128	109	19	17.4
Impact of currency fluctuations ⁽³⁾	4	4	4	3.7
Comparable operating income adjusted for Certain Items using a constant currency basis (Non-GAAP)	<u>\$ 132</u>	<u>\$ 109</u>	<u>\$ 23</u>	<u>21.1 %</u>
SYGMA				
Operating expenses (GAAP)	\$ 149	\$ 136	\$ 13	9.6 %
Operating income (GAAP)	17	17	—	—
OTHER				
Operating expenses (GAAP)	\$ 63	\$ 65	\$ (2)	(3.1)%
Operating (loss) income (GAAP)	(3)	6	(9)	NM

	13-Week Period Ended Mar. 29, 2025	13-Week Period Ended Mar. 30, 2024	Change in Dollars	%/bps Change
GLOBAL SUPPORT CENTER				
Gross profit (GAAP)	\$ 24	\$ 12	\$ 12	100.0 %
Operating expenses (GAAP)	\$ 207	\$ 249	\$ (42)	(16.9)%
Impact of restructuring and transformational project costs ⁽⁶⁾	(21)	(15)	(6)	(40.0)
Impact of acquisition-related costs ⁽⁷⁾	(3)	(14)	11	78.6
Operating expenses adjusted for Certain Items (Non-GAAP)	<u>\$ 183</u>	<u>\$ 220</u>	<u>\$ (37)</u>	<u>(16.8)%</u>
Operating loss (GAAP)	\$ (183)	\$ (237)	\$ 54	22.8 %
Impact of restructuring and transformational project costs ⁽⁶⁾	21	15	6	40.0
Impact of acquisition-related costs ⁽⁷⁾	3	14	(11)	(78.6)
Operating loss adjusted for Certain Items (Non-GAAP)	<u>\$ (159)</u>	<u>\$ (208)</u>	<u>\$ 49</u>	<u>23.6 %</u>

(1) Primarily represents severance and transformation initiative costs.

(2) Fiscal 2025 and fiscal 2024 include intangible amortization expense and acquisition costs.

(3) Represents a constant currency adjustment, which eliminates the impact of foreign currency fluctuations on current year results.

(4) Includes restructuring and transformation costs primarily in Europe.

(5) Primarily represents intangible amortization expense and acquisition costs.

(6) Includes various transformation initiative costs, primarily consisting of changes to our business technology strategy.

(7) Represents due diligence costs.

NM Represents that the percentage change is not meaningful.

	39-Week Period Ended Mar. 29, 2025	39-Week Period Ended Mar. 30, 2024	Change in Dollars	%/bps Change
U.S. FOODSERVICE OPERATIONS				
Operating expenses (GAAP)	\$ 5,507	\$ 5,283	\$ 224	4.2 %
Impact of restructuring and transformational project costs ⁽¹⁾	(26)	(6)	(20)	NM
Impact of acquisition-related costs ⁽²⁾	(53)	(41)	(12)	(29.3)
Operating expenses adjusted for Certain Items (Non-GAAP)	<u>\$ 5,428</u>	<u>\$ 5,236</u>	<u>\$ 192</u>	<u>3.7 %</u>
Operating income (GAAP)	\$ 2,496	\$ 2,632	\$ (136)	(5.2)%
Impact of restructuring and transformational project costs ⁽¹⁾	26	6	20	NM
Impact of acquisition-related costs ⁽²⁾	53	41	12	29.3
Operating income adjusted for Certain Items (Non-GAAP)	<u>\$ 2,575</u>	<u>\$ 2,679</u>	<u>\$ (104)</u>	<u>(3.9)%</u>
INTERNATIONAL FOODSERVICE OPERATIONS				
Sales (GAAP)	\$ 10,978	\$ 10,773	\$ 205	1.9 %
Impact of currency fluctuations ⁽³⁾	129		129	1.2
Comparable sales using a constant currency basis (Non-GAAP)	<u>\$ 11,107</u>	<u>\$ 10,773</u>	<u>\$ 334</u>	<u>3.1 %</u>
Gross profit (GAAP)	\$ 2,262	\$ 2,160	\$ 102	4.7 %
Impact of currency fluctuations ⁽³⁾	16		16	0.8
Comparable gross profit using a constant currency basis (Non-GAAP)	<u>\$ 2,278</u>	<u>\$ 2,160</u>	<u>\$ 118</u>	<u>5.5 %</u>
Gross margin (GAAP)	20.60 %	20.05 %		55 bps
Impact of currency fluctuations ⁽³⁾	(0.09)			-9 bps
Comparable gross margin using a constant currency basis (Non-GAAP)	<u>20.51 %</u>	<u>20.05 %</u>		<u>46 bps</u>
Operating expenses (GAAP)	\$ 1,970	\$ 1,900	\$ 70	3.7 %
Impact of restructuring and transformational project costs ⁽⁴⁾	(39)	(15)	(24)	NM
Impact of acquisition-related costs ⁽⁵⁾	(56)	(53)	(3)	(5.7)
Operating expenses adjusted for Certain Items (Non-GAAP)	<u>1,875</u>	<u>1,832</u>	<u>43</u>	<u>2.3</u>
Impact of currency fluctuations ⁽³⁾	12		12	0.7
Comparable operating expenses adjusted for Certain Items using a constant currency basis (Non-GAAP)	<u>\$ 1,887</u>	<u>\$ 1,832</u>	<u>\$ 55</u>	<u>3.0 %</u>
Operating income (GAAP)	\$ 292	\$ 260	\$ 32	12.3 %
Impact of restructuring and transformational project costs ⁽⁴⁾	39	15	24	NM
Impact of acquisition-related costs ⁽⁵⁾	56	53	3	5.7
Operating income adjusted for Certain Items (Non-GAAP)	<u>387</u>	<u>328</u>	<u>59</u>	<u>18.0</u>
Impact of currency fluctuations ⁽³⁾	4		4	1.2
Comparable operating income adjusted for Certain Items using a constant currency basis (Non-GAAP)	<u>\$ 391</u>	<u>\$ 328</u>	<u>\$ 63</u>	<u>19.2 %</u>
SYGMA				
Sales (GAAP)	\$ 6,246	\$ 5,724	\$ 522	9.1 %
Gross profit (GAAP)	492	454	38	8.4
Gross margin (GAAP)	7.88 %	7.93 %		-5 bps

	39-Week Period Ended Mar. 29, 2025	39-Week Period Ended Mar. 30, 2024	Change in Dollars	%/bps Change
Operating expenses (GAAP)	\$ 438	\$ 408	\$ 30	7.4 %
Operating income (GAAP)	54	46	8	17.4 %
OTHER				
Operating expenses (GAAP)	\$ 188	\$ 195	\$ (7)	(3.6)%
Operating income (GAAP)	9	27	(18)	(66.7)%
GLOBAL SUPPORT CENTER				
Gross profit (GAAP)	\$ 29	\$ 19	\$ 10	52.6 %
Operating expenses (GAAP)	\$ 680	\$ 758	\$ (78)	(10.3)%
Impact of restructuring and transformational project costs ⁽⁶⁾	(42)	(38)	(4)	(10.5)
Impact of acquisition-related costs ⁽⁷⁾	(12)	(19)	7	36.8
Operating expenses adjusted for Certain Items (Non-GAAP)	\$ 626	\$ 701	\$ (75)	(10.7)%
Operating loss (GAAP)	\$ (651)	\$ (739)	\$ 88	11.9 %
Impact of restructuring and transformational project costs ⁽⁶⁾	42	38	4	10.5
Impact of acquisition-related costs ⁽⁷⁾	12	19	(7)	(36.8)
Operating loss adjusted for Certain Items (Non-GAAP)	\$ (597)	\$ (682)	\$ 85	12.5 %

⁽¹⁾ Primarily represents severance and transformation costs.

⁽²⁾ Fiscal 2025 and fiscal 2024 include intangible amortization expense and acquisition costs.

⁽³⁾ Represents a constant currency adjustment, which eliminates the impact of foreign currency fluctuations on current year results.

⁽⁴⁾ Includes restructuring and transformation costs primarily in Europe.

⁽⁵⁾ Primarily represents intangible amortization expense and acquisition costs.

⁽⁶⁾ Includes various transformation initiative costs, primarily consisting of changes to our business technology strategy.

⁽⁷⁾ Represents due diligence costs.

NM Represents that the percentage change is not meaningful.

EBITDA and Adjusted EBITDA

EBITDA and adjusted EBITDA should not be used as a substitute for the most comparable GAAP measure in assessing Sysco's overall financial performance for the periods presented. An analysis of any non-GAAP financial measure should be used in conjunction with results presented in accordance with GAAP. See Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators" contained in our fiscal 2024 Form 10-K for discussions regarding this non-GAAP performance metric. Set forth below is a reconciliation of actual net earnings to EBITDA and to adjusted EBITDA results for the periods presented (dollars in millions):

	13-Week Period Ended Mar. 29, 2025	13-Week Period Ended Mar. 30, 2024	Change in Dollars	% Change
Net earnings (GAAP)	\$ 401	\$ 425	\$ (24)	(5.6)%
Interest (GAAP)	149	158	(9)	(5.7)
Income taxes (GAAP)	122	129	(7)	(5.4)
Depreciation and amortization (GAAP)	238	221	17	7.7
EBITDA (Non-GAAP)	\$ 910	\$ 933	\$ (23)	(2.5)%
Certain Item adjustments:				
Impact of restructuring and transformational project costs ⁽¹⁾	\$ 49	\$ 27	\$ 22	81.5 %
Impact of acquisition-related costs ⁽²⁾	10	17	(7)	(41.2)
EBITDA adjusted for Certain Items (Non-GAAP) ⁽³⁾	\$ 969	\$ 977	\$ (8)	(0.8)%
Other expense (income), net	9	10	(1)	(10.0)
Depreciation and amortization, as adjusted (Non-GAAP) ⁽⁴⁾	(205)	(188)	(17)	(9.0)
Operating income adjusted for Certain Items (Non-GAAP)	<u>\$ 773</u>	<u>\$ 799</u>	<u>\$ (26)</u>	<u>(3.3)%</u>

- ⁽¹⁾ Fiscal 2025 and fiscal 2024 include charges related to restructuring and severance, as well as various transformation initiative costs, primarily consisting of supply chain transformation costs and changes to our business technology strategy, excluding charges related to accelerated depreciation.
- ⁽²⁾ Fiscal 2025 and fiscal 2024 include acquisition and due diligence costs.
- ⁽³⁾ In arriving at adjusted EBITDA, Sysco does not adjust out interest income of \$7 million and \$7 million or non-cash stock compensation expense of \$15 million and \$24 million in fiscal 2025 and fiscal 2024, respectively.
- ⁽⁴⁾ Fiscal 2025 includes \$238 million in GAAP depreciation and amortization expense, less \$33 million of Non-GAAP depreciation and amortization expense primarily related to acquisitions. Fiscal 2024 includes \$221 million in GAAP depreciation and amortization expense, less \$34 million of Non-GAAP depreciation and amortization expense primarily related to acquisitions.

	39-Week Period Ended Mar. 29, 2025	39-Week Period Ended Mar. 30, 2024	Change in Dollars	% Change
Net earnings (GAAP)	\$ 1,297	\$ 1,343	\$ (46)	(3.4)%
Interest (GAAP)	469	442	27	6.1
Income taxes (GAAP)	402	418	(16)	(3.8)
Depreciation and amortization (GAAP)	709	647	62	9.6
EBITDA (Non-GAAP)	\$ 2,877	\$ 2,850	\$ 27	0.9 %
Certain Item adjustments:				
Impact of restructuring and transformational project costs ⁽¹⁾	104	56	48	85.7
Impact of acquisition-related costs ⁽²⁾	24	22	2	9.1
EBITDA adjusted for Certain Items (Non-GAAP) ⁽³⁾	\$ 3,005	\$ 2,928	\$ 77	2.6 %
Other expense (income), net	32	23	9	39.1
Depreciation and amortization, as adjusted (Non-GAAP) ⁽⁴⁾	(609)	(553)	(56)	(10.1)
Operating income adjusted for Certain Items (Non-GAAP)	<u>\$ 2,428</u>	<u>\$ 2,398</u>	<u>\$ 30</u>	<u>1.3 %</u>

- (1) Fiscal 2025 and 2024 include charges related to restructuring and severance, as well as various transformation initiative costs, primarily consisting of supply chain transformation costs and changes to our business technology strategy, excluding charges related to accelerated depreciation.
- (2) Fiscal 2025 and 2024 include acquisition and due diligence costs.
- (3) In arriving at adjusted EBITDA, Sysco does not exclude interest income of \$22 million and \$28 million or non-cash stock compensation expense of \$74 million and \$77 million for fiscal 2025 and fiscal 2024, respectively.
- (4) Fiscal 2025 includes \$709 million in GAAP depreciation and amortization expense, less \$100 million of Non-GAAP depreciation and amortization expense primarily related to acquisitions. Fiscal 2024 includes \$647 million in GAAP depreciation and amortization expense, less \$94 million of Non-GAAP depreciation and amortization expense primarily related to acquisitions.

Projected Adjusted Earnings Per Share Guidance

Adjusted earnings per share is a non-GAAP financial measure; however, we cannot predict with certainty certain items that would be included in the most directly comparable GAAP measure for the relevant future periods. Due to these uncertainties, we cannot provide a quantitative reconciliation of projected adjusted EPS to the most directly comparable GAAP financial measure without unreasonable effort. However, we expect to calculate adjusted earnings per share for future periods in the same manner as the reconciliations provided for the historical periods herein.

Liquidity and Capital Resources

Highlights

We produced positive free cash flow of \$954 million in the first 39 weeks of fiscal 2025, as compared to positive free cash flow of \$864 million in the first 39 weeks of fiscal 2024. The increase in free cash flow is attributable to an increase in proceeds from sales of plant and equipment, partially offset by a decrease in cash provided by operating activities. In the table that follows, free cash flow for each period presented is reconciled to net cash provided by operating activities and comparisons of the significant cash flows from the first 39 weeks of fiscal 2025 to the first 39 weeks of fiscal 2024 are provided.

	39-Week Period Ended Mar. 29, 2025	39-Week Period Ended Mar. 30, 2024
	(In millions)	
Source of cash (use of cash)		
Net cash provided by operating activities (GAAP)	\$ 1,317	\$ 1,373
Additions to plant and equipment	(532)	(530)
Proceeds from sales of plant and equipment	169	21
Free Cash Flow (Non-GAAP) ⁽¹⁾	\$ 954	\$ 864
Acquisition of businesses, net of cash acquired	\$ (40)	\$ (1,181)
Debt borrowings (repayments), net	1,078	1,447
Stock repurchases	(700)	(700)
Dividends paid	(752)	(758)

- (1) Free cash flow should not be used as a substitute for the most comparable GAAP measure in assessing the company's liquidity for the periods presented. An analysis of any non-GAAP financial measure should be used in conjunction with results presented in accordance with GAAP. See Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators" contained in our fiscal 2024 Form 10-K for discussions regarding this non-GAAP performance metric.

Sources and Uses of Cash

Sysco generates cash in the U.S. and internationally. As of March 29, 2025, we had \$1.5 billion in cash and cash equivalents, approximately 50% of which was held by our international subsidiaries. Sysco's strategic objectives are funded primarily by cash from operations and external borrowings. Traditionally, our operations have produced significant cash flow. Due to our strong financial position, we believe we will continue to be able to effectively access capital markets, as needed. Cash is generally allocated to working capital requirements, investments compatible with our overall growth strategy (organic and inorganic), debt management, and shareholder return. The remaining cash balances are invested in high-quality, short-term instruments.

We believe our cash flow from operations, the availability of liquidity under our commercial paper programs and our revolving credit facility, and our ability to access capital from financial markets will be sufficient to meet our anticipated cash requirements for more than the next 12 months, while maintaining sufficient liquidity for normal operating purposes.

Cash Flows

Operating Activities

We generated \$1.3 billion in cash flows from operations in the first 39 weeks of fiscal 2025, compared to cash flows from operations of \$1.4 billion in the first 39 weeks of fiscal 2024. In the first 39 weeks of fiscal 2025, these amounts included year-over-year favorable comparisons on working capital of \$163 million due to favorable comparisons on accounts payable and accounts receivable, partially offset by an unfavorable comparison in inventory. Accrued expenses also had an unfavorable comparison, primarily related to accrued payroll in the first 39 weeks of fiscal 2025 in comparison to the first 39 weeks of fiscal 2024. Income tax payments made in the first 39 weeks of fiscal 2025 were unchanged compared to the first 39 weeks of fiscal 2024. During the third quarter of fiscal 2025, tax payments were made that had been previously deferred under IRS disaster relief provisions related to Hurricane Beryl. These payments related to tax obligations that were originally due in fiscal 2024 and the first and second quarters of fiscal 2025.

Investing Activities

Our capital expenditures in the first 39 weeks of fiscal 2025 consisted primarily of investments in buildings and building improvements, technology equipment, warehouse equipment, and fleet. Our capital expenditures in the first 39 weeks of fiscal 2025 were \$2 million higher than in the first 39 weeks of fiscal 2024.

During the first 39 weeks of fiscal 2025, we paid \$40 million, net of cash acquired, for the acquisition of Campbells Prime Meat. The first 39 weeks of fiscal 2024 includes \$1.2 billion of cash paid for the acquisitions of BIX Produce Company, Edward Don, and Ready Chef.

During the first 39 weeks of fiscal 2025, we received \$169 million in proceeds from sales of plant and equipment, which is primarily attributable to proceeds received from sale leaseback transactions. During the first 39 weeks of fiscal 2024, we received \$21 million in proceeds from sales of plant and equipment.

Financing Activities

Equity Transactions

Proceeds from exercises of share-based compensation awards were \$96 million in the first 39 weeks of fiscal 2025, as compared to \$103 million in the first 39 weeks of fiscal 2024. The level of option exercises, and thus proceeds, will vary from period to period and is largely dependent on movements in our stock price and the time remaining before option grants expire.

In May 2021, our Board of Directors approved a share repurchase program to authorize the repurchase of up to \$5.0 billion of the company's common stock, which will remain available until fully utilized. We repurchased 9,418,578 shares for \$700 million during the first 39 weeks of fiscal 2025 and intend to repurchase up to a total of \$1.25 billion in fiscal 2025. As of March 29, 2025, we had a remaining authorization of approximately \$2.1 billion. We repurchased no additional shares under our authorization from the end of our fiscal third quarter through April 11, 2025.

Dividends paid in the first 39 weeks of fiscal 2025 were \$752 million, or \$1.53 per share, as compared to \$758 million, or \$1.50 per share, in the first 39 weeks of fiscal 2024. In February 2025, we declared our regular quarterly dividend for the third quarter of fiscal 2025 of \$0.51 per share, which was paid in April 2025. In April 2025, we declared our regular quarterly dividend for the fourth quarter of fiscal 2025 of \$0.54 per share, representing an increase of \$0.03 per share. This dividend will be payable in July 2025.

Debt Activity and Borrowing Availability

Our debt activity, including issuances and repayments, if any, and our borrowing availability are described in Note 7, “Debt,” in the Notes to Consolidated Financial Statements in Item 1 of Part I of this Form 10-Q. Our outstanding borrowings as of March 29, 2025 are also disclosed within that note.

Guarantor Summarized Financial Information

On January 19, 2011, the wholly owned U.S. Broadline subsidiaries of Sysco Corporation, which distribute a full line of food products and a wide variety of non-food products, entered into full and unconditional guarantees of all outstanding senior notes and debentures of Sysco Corporation. All subsequent issuances of senior notes and debentures in the U.S. and borrowings under the company’s \$3.0 billion long-term revolving credit facility have also been guaranteed by these subsidiaries. As of March 29, 2025, Sysco had a total of \$11.8 billion in senior notes, debentures and borrowings under the long-term revolving credit facility that were guaranteed by these subsidiary guarantors. Our remaining consolidated subsidiaries (non-guarantor subsidiaries) are not obligated under the senior notes indenture, debentures indenture or our long-term revolving credit facility. See Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources” contained in our fiscal 2024 Form 10-K for additional information regarding the terms of the guarantees.

Basis of Preparation of the Summarized Financial Information

The summarized financial information of Sysco Corporation (issuer), and certain wholly owned U.S. Broadline subsidiaries (guarantors) (together, the obligor group) is presented on a combined basis with intercompany balances and transactions between entities in the obligor group eliminated. Investments in and equity in the earnings of our non-guarantor subsidiaries, which are not members of the obligor group, have been excluded from the summarized financial information. The obligor group’s amounts due to, amounts due from and transactions with non-guarantor subsidiaries have been presented in separate line items, if they are material to the obligor financials. The following tables include summarized financial information of the obligor group for the periods presented.

Combined Parent and Guarantor Subsidiaries Summarized Balance Sheet	Mar. 29, 2025	Jun. 29, 2024
	(In millions)	
ASSETS		
Receivables due from non-obligor subsidiaries	\$ 247	\$ 428
Current assets	6,454	5,417
Total current assets	\$ 6,701	\$ 5,845
Notes receivable from non-obligor subsidiaries	\$ 39	\$ 78
Other noncurrent assets	5,016	4,714
Total noncurrent assets	\$ 5,055	\$ 4,792
LIABILITIES		
Payables due to non-obligor subsidiaries	\$ 209	\$ 215
Other current liabilities	2,996	2,396
Total current liabilities	\$ 3,205	\$ 2,611
Notes payable to non-obligor subsidiaries	\$ 402	\$ 250
Long-term debt	11,822	11,276
Other noncurrent liabilities	1,472	1,334
Total noncurrent liabilities	\$ 13,696	\$ 12,860

Combined Parent and Guarantor Subsidiaries Summarized Results of Operations	39-Week Period Ended Mar. 29, 2025	
	(In millions)	
Sales	\$	36,707
Gross profit		6,482
Operating income		1,765
Interest expense from non-obligor subsidiaries		2
Net earnings		927

Critical Accounting Estimates

Critical accounting estimates are those that are most important to the portrayal of our financial position and results of operations. These require our most subjective or complex judgments, often employing the use of estimates about the effect of matters that are inherently uncertain. We have reviewed with the Audit Committee of the Board of Directors the development and selection of the critical accounting estimates and this related disclosure. Our most critical accounting estimates pertain to goodwill and intangible assets, income taxes and company-sponsored pension plans, which are described in Item 7 of our fiscal 2024 Form 10-K.

Forward-Looking Statements

Certain statements made herein that look forward in time or express management's expectations or beliefs with respect to the occurrence of future events are forward-looking statements under the Private Securities Litigation Reform Act of 1995. Forward-looking statements provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to any historical or current fact. Forward-looking statements can also be identified by words such as "future," "anticipates," "believes," "estimates," "expects," "intends," "plans," "predicts," "will," "would," "could," "can," "may," "projected," "continues," "continuously," variations of such terms, and similar terms and phrases denoting anticipated or expected occurrences or results. Examples of forward-looking statements include, but are not limited to, statements about:

- our expectations regarding the ability of our supply chain and facilities to remain in place and operational;
- our plans regarding our transformation initiatives and the expected effects from such initiatives;
- statements regarding uncollectible accounts, including that if collections continue to improve, additional reductions in bad debt expense could occur;
- our expectations that our Recipe for Growth strategy will allow us to better serve our customers and differentiate Sysco from our competition;
- our expectations regarding our fiscal 2025 sales and our rate of sales growth in fiscal 2025;
- our expectations regarding the impact of inflation on sales, gross margin rates and gross profit dollars;
- our plans regarding cost savings, including our target for cost savings through fiscal 2025 and the impact of costs savings on the company;
- our belief that our purpose will allow us to grow substantially faster than the foodservice distribution industry and deliver profitable growth through our Recipe for Growth transformation, and statements regarding our plans with respect to our strategic pillars that support this growth transformation;
- our expectations regarding the use and investment of remaining cash generated from operations, including our expectations regarding the positive impact of our acquisitions;
- the sufficiency of our available liquidity to sustain our operations for multiple years;
- the impact of seasonal trends on our free cash flow;
- estimates regarding our capital expenditures and the sources of financing for our capital expenditures;

- our expectations regarding the impact of potential acquisitions and sales of assets on our liquidity, borrowing capacity, leverage ratios and capital availability;
- our expectations regarding real sales growth in the U.S. foodservice market and trends in produce markets;
- our expectations regarding the calculation of adjusted return on invested capital, adjusted operating income, adjusted net earnings and adjusted diluted earnings per share;
- our expectations regarding the impact of future Certain Items on our projected future non-GAAP and GAAP results;
- our expectations regarding our effective tax rate in fiscal 2025;
- the sufficiency of our mechanisms for managing working capital and competitive pressures, and our beliefs regarding the impact of these mechanisms;
- our ability to meet future cash requirements, including the ability to access financial markets effectively, including issuances of debt securities, and maintain sufficient liquidity;
- our expectations regarding the payment of dividends, and the growth of our dividend, in the future;
- our expectations regarding future activity under our share repurchase program;
- future compliance with the covenants under our revolving credit facility;
- our ability to effectively access the commercial paper market and long-term capital markets; and
- our intention to repay our long-term debt with cash on hand, cash flow from operations, issuances of commercial paper, issuances of senior notes, or a combination thereof.

These statements are based on management's current expectations and estimates; actual results may differ materially due in part to the risk factors set forth below, those within Part II, Item 1A of this Form 10-Q and those discussed in Item 1A of our fiscal 2024 Form 10-K:

- the impact of geopolitical, economic and market conditions and developments, including changes in global trade policies and tariffs and their ability to impact consumer confidence and foot traffic to restaurants;
- the risk that if sales from our locally managed customers do not grow at the same rate as sales from multi-unit customers, our gross margins may decline;
- periods of significant or prolonged inflation or deflation and their impact on our product costs and profitability generally;
- the risk that we are unlikely to be able to predict inflation over the long term, and lower inflation is likely to produce lower gross profit;
- the risk that our efforts to modify truck routing, including our small truck initiative, in order to reduce outbound transportation costs may be unsuccessful;
- the risk that we may not be able to accelerate and/or identify additional administrative cost savings in order to compensate for any gross profit or supply chain cost leverage challenges;
- risks related to unfavorable conditions in the Americas and Europe and the impact on our results of operations and financial condition;
- the risks related to our efforts to implement our transformation initiatives and meet our other long-term strategic objectives, including the risk that these efforts may not provide the expected benefits in our anticipated time frame, if at all, and may prove costlier than expected;
- the impact of unexpected future changes to our business initiatives based on management's subjective evaluation of our overall business needs;

- the risk that the actual costs of any business initiatives may be greater or less than currently expected;
- the risk that competition in our industry and the impact of GPOs may adversely impact our margins and our ability to retain customers and make it difficult for us to maintain our market share, growth rate and profitability;
- the risk that our relationships with long-term customers may be materially diminished or terminated;
- the risk that changes in consumer eating habits could materially and adversely affect our business, financial condition, or results of operations;
- the impact and effects of natural disasters or adverse weather conditions;
- the impact and effects of public health crises, pandemics and epidemics and the adverse impact thereof on our business, financial condition and results of operations;
- the risk that changes in applicable tax laws or regulations and the resolution of tax disputes could negatively affect our financial results;
- the risk that we may not be able to fully compensate for increases in fuel costs, and forward purchase commitments intended to contain fuel costs could result in above market fuel costs;
- the risk of interruption of supplies and increase in product costs as a result of conditions beyond our control;
- the potential impact on our reputation and earnings of adverse publicity or lack of confidence in our products;
- risks related to unfavorable changes to the mix of locally managed customers versus corporate-managed customers;
- the risk that we may not realize anticipated benefits from our operating cost reduction efforts;
- difficulties in successfully expanding into international markets and complimentary lines of business;
- the potential impact of product liability claims;
- the risk that we fail to comply with requirements imposed by applicable law or government regulations;
- risks related to our ability to effectively finance and integrate acquired businesses;
- risks related to our access to borrowed funds in order to grow and any default by us under our indebtedness that could have a material adverse impact on cash flow and liquidity;
- our level of indebtedness and the terms of our indebtedness could adversely affect our business and liquidity position;
- the risk that the implementation of various initiatives, the timing and successful completion of acquisitions, construction schedules and the possibility that other cash requirements could result in delays or cancellations of capital spending;
- the risk that divestiture of one or more of our businesses may not provide the anticipated effects on our operations;
- the risk that future labor disruptions or disputes could disrupt the integration of Brakes France and Davigel into Sysco France and our operations in France and the European Union generally;
- the risk that factors beyond management's control, including fluctuations in the stock market, as well as management's future subjective evaluation of the company's needs, would impact the timing of share repurchases;
- due to our reliance on technology, any technology disruption or delay in implementing new technology could have a material negative impact on our business;
- the risk of negative impacts to our business and our relationships with customers from a cybersecurity incident and/or other technology disruptions;
- the potential requirement to pay material amounts under our multiemployer defined benefit pension plans;
- our funding requirements for our company-sponsored qualified pension plan may increase should financial markets experience future declines;

- labor issues, including the renegotiation of union contracts and shortage of qualified labor;
- capital expenditures may vary based on changes in business plans and other factors, including risks related to the implementation of various initiatives, the timing and successful completion of acquisitions, construction schedules and the possibility that other cash requirements could result in delays or cancellations of capital spending;
- the risk that the anti-takeover benefits provided by our preferred stock may not be viewed as beneficial to stockholders; and
- the risk that the exclusive forum provisions in our amended and restated bylaws could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

For a more detailed discussion of factors that could cause actual results to differ from those contained in the forward-looking statements, see the risk factors discussion contained in Item 1A of our fiscal 2024 Form 10-K and in Item 1A of Part II of this Form 10-Q.

Item 3. *Quantitative and Qualitative Disclosures about Market Risk*

Our market risks consist of interest rate risk, foreign currency exchange rate risk, fuel price risk and investment risk. For a discussion on our exposure to market risk, see Part II, Item 7A, "Quantitative and Qualitative Disclosures about Market Risks" in our fiscal 2024 Form 10-K. There have been no significant changes to our market risks since June 29, 2024.

Item 4. *Controls and Procedures*

Sysco's management, with the participation of our chief executive officer and chief financial officer, evaluated the effectiveness of our disclosure controls and procedures as of March 29, 2025. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act), means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding the required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Sysco's disclosure controls and procedures have been designed to provide reasonable assurance of achieving their objectives. Based on the evaluation of our disclosure controls and procedures as of March 29, 2025, our chief executive officer and chief financial officer concluded that, as of such date, Sysco's disclosure controls and procedures were effective at the reasonable assurance level.

There have been no changes in our internal control over financial reporting (as that term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) that occurred during the fiscal quarter ended March 29, 2025, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. *Legal Proceedings*

Environmental Matters

Item 103 of SEC Regulation S-K requires disclosure of certain environmental proceedings in which a governmental authority is a party to and when such proceedings involve potential monetary sanctions that Sysco’s management reasonably believes will exceed a specified threshold. Pursuant to recent SEC amendments to this Item, Sysco has chosen a reporting threshold for such proceedings of \$1 million. Applying this threshold, there are no material environmental matters to disclose for this reporting period.

From time to time, we may be party to legal proceedings that arise in the ordinary course of our business. We do not believe there are any pending legal proceedings that, individually or in the aggregate, will have a material adverse effect on the company’s financial condition, results of operations or cash flows.

Item 1A. *Risk Factors*

For a discussion of our risk factors, see the section entitled “Risk Factors” in our fiscal 2024 Form 10-K.

Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds*

Recent Sales of Unregistered Securities

None.

Issuer Purchases of Equity Securities

We made the following share repurchases during the third quarter of fiscal 2025:

ISSUER PURCHASES OF EQUITY SECURITIES

Period	Total Number of Shares Purchased ⁽¹⁾	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ⁽²⁾	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
Month #1				
December 29 - January 25	1,158,969	\$ 73.96	1,158,969	—
Month #2				
January 26 - February 22	1,890,658	71.78	1,890,658	—
Month #3				
February 23 - March 29	2,419,310	73.81	2,419,310	—
Totals	5,468,937	\$ 73.14	5,468,937	—

⁽¹⁾ The total number of shares purchased includes no shares tendered by individuals in connection with stock option exercises Month #1, Month #2 and Month #3, respectively.

⁽²⁾ See the discussion in Item 2, “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources – Equity Transactions” for additional information regarding Sysco’s share repurchase program.

On May 20, 2021, our Board of Directors approved a share repurchase program to authorize the repurchase of up to \$5.0 billion of the company’s common stock, in which the program will remain available until fully utilized.

We repurchased 9,418,578 shares for \$700 million during the first 39 weeks of fiscal 2025. As of March 29, 2025, we had a remaining authorization of approximately \$2.1 billion. We repurchased no additional shares under our authorization from the end of our fiscal third quarter through April 11, 2025.

Item 3. *Defaults Upon Senior Securities*

None.

Item 4. *Mine Safety Disclosures*

Not applicable.

Item 5. *Other Information*

Insider Trading Arrangements and Policies

During the quarter ended March 29, 2025, no director or executive officer of Sysco adopted or terminated a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (each term as defined in Item 408(a) of Regulation S-K).

Item 6. *Exhibits*

The exhibits listed on the Exhibit Index below are filed as a part of this Quarterly Report on Form 10-Q.

EXHIBIT INDEX

3.1	— <u>Restated Certificate of Incorporation, incorporated by reference to Exhibit 3(a) to Form 10-K for the year ended June 28, 1997 (File No. 1-6544).</u>
3.2	— <u>Certificate of Amendment to Restated Certificate of Incorporation increasing authorized shares, incorporated by reference to Exhibit 3(c) to Form 10-Q for the quarter ended December 27, 2003 (File No. 1-6544).</u>
3.3	— <u>Form of Amended Certificate of Designation, Preferences and Rights of Series A Junior Participating Preferred Stock, incorporated by reference to Exhibit 3(c) to Form 10-K for the year ended June 29, 1996 (File No. 1-6544).</u>
3.4	— <u>Amended and Restated Bylaws of Sysco Corporation dated June 20, 2024, incorporated by reference to Exhibit 4.4 to the Form S-8 filed on December 6, 2024 (File No. 1-6544).</u>
4.1	— <u>Forty-Sixth Supplemental Indenture, dated as of February 25, 2025, by and among the Company, the Subsidiary Guarantors and the Trustee relating to the 2030 Notes (including the Form of 5.100% Senior Note), incorporated by reference to Exhibit 4.1 to the current report on Form 8-K filed on February 25, 2025 (File No. 1-6544).</u>
4.2	— <u>Forty-Seventh Supplemental Indenture, dated as of February 25, 2025, by and among the Company, the Subsidiary Guarantors and the Trustee relating to the 2035 Notes (including the Form of 5.400% Senior Note), incorporated by reference to Exhibit 4.2 to the current report on Form 8-K filed on February 25, 2025 (File No. 1-6544).</u>
10.1†#	— <u>Form of Performance Share Unit Grant Agreement – Retention Award for Thomas R. Peck Jr. dated February 26, 2025, pursuant to the Sysco Corporation 2018 Omnibus Incentive Plan.</u>
22.1#	— <u>Subsidiary Guarantors and Issuers of Guaranteed Securities.</u>
31.1#	— <u>CEO Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
31.2#	— <u>CFO Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
32.1*	— <u>CEO Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
32.2*	— <u>CFO Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
101.SCH#	— Inline XBRL Taxonomy Extension Schema Document
101.CAL#	— Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF#	— Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB#	— Inline XBRL Taxonomy Extension Labels Linkbase Document
101.PRE#	— Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	— Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

† Executive Compensation Arrangement pursuant to 601(b)(10)(iii)(A) of Regulation S-K

Filed herewith

* Furnished, not filed.

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 thereunto duly authorized.

Sysco Corporation
(Registrant)

Date: April 29, 2025

By: /s/ KEVIN P. HOURICAN

Kevin P. Hourican
Chair of the Board and
Chief Executive Officer

Date: April 29, 2025

By: /s/ KENNY K. CHEUNG

Kenny K. Cheung
Executive Vice President,
Chief Financial Officer

Date: April 29, 2025

By: /s/ JENNIFER L. JOHNSON

Jennifer L. Johnson
Senior Vice President,
Chief Accounting Officer

SYSCO CORPORATION
PERFORMANCE SHARE UNIT AGREEMENT

Sysco Corporation (the "**Company**") hereby agrees to award to Thomas R. Peck, Jr. (the "**Grantee**") performance-based Restricted Stock Units ("**PSUs**") with a target value equal to \$1.5 million in accordance with and subject to the terms, conditions and restrictions of this Performance Share Unit Agreement, (the "**Agreement**"). Except as otherwise provided in Section 3 in the event of the Grantee's death, the PSUs hereby awarded (the "**Award**") shall be settled in the form of shares of stock with each PSU earned being settled for one (1) share of the Company's Common Stock, USD 1.00 par value ("**Stock**"), but until such settlement, the Award will be denominated in PSUs. Any PSUs earned will be settled, and the corresponding shares of Stock will be issued to the Grantee, on the date set forth below (the "**Payment Date**") if the terms and conditions described in this Agreement are satisfied. The number of PSUs subject to this Agreement is expressed as a Target Award, subject to modification based on actual performance. The number of PSUs subject to the Target Award and the date of grant (the "**Grant Date**") is set forth in the records of the Company and has been communicated to the Grantee either: (1) directly to the Grantee by the Company; or (2) electronically by the Company through the website of a third party administrator engaged by the Company. This Award is made under the terms of the Sysco Corporation 2018 Omnibus Incentive Plan, as amended (the "**Plan**"), the terms of which are incorporated into this Agreement.

The Grantee must accept the Award in accordance with and subject to the terms and conditions of this Agreement and the Plan, acknowledge that he or she has read this Agreement and the Plan, and agrees to be bound by this Agreement, the Plan and the actions of the Committee. The Grantee shall indicate his or her acceptance of this Agreement, in the method directed by the Company. If he or she does not do so prior to 90 days from the Grant Date, then the Company may declare the Award null and void. Also, in the unfortunate event that death occurs before this Agreement has been accepted, this Award will be voided, which means the Award will terminate automatically and cannot be transferred to the Grantee's heirs pursuant to the Grantee's will or the laws of descent and distribution.

By accepting this Award, the Grantee confirms consent to the terms of the post-employment covenants communicated to the Grantee as a condition precedent to this Award, including the associated limitations on the Grantee's behavior following termination of employment. The Grantee further acknowledges receipt of the Plan document and the Plan Prospectus.

The following dates and defined terms are applicable for this Award:

Performance Period	January 31, 2025 to January 31, 2028
Performance Certification Date	The date of the first Compensation and Leadership Development Committee meeting following the completion of the Performance Period.
Payment Date	As soon as administratively possible following the Performance Certification Date.

The performance criteria shown in Appendix A ("**Performance Criteria**") must be met for any Stock to be issued pursuant to an Award under this Agreement. The number of shares of Stock that may be issued on the Payment Date shall be determined based upon the Target Award and the schedule shown in Appendix A, subject to Sections 1 and 3.

TERMS AND CONDITIONS

- (1) **General Conditions** This Award is in the form of PSUs that settle in Stock on the Payment Date, except as otherwise provided in Section 3 below in the event of the Grantee's death. If the terms and conditions set forth in this Agreement are satisfied, the number of shares of Stock earned based on actual performance achieved will be calculated as of the Performance Certification Date and issued to the Grantee on the Payment Date. If these terms and conditions are not satisfied, the

Award shall be forfeited. Capitalized terms in this Agreement refer to defined terms in the Plan, except as otherwise defined herein.

(a) Continuous Employment. Except as provided in Section 3, the Stock shall be issued on the Payment Date only if the Grantee is continuously employed by the Company or a Subsidiary (the entity employing the Grantee being the "**Employer**") from the Grant Date until the end of the Performance Period. For the avoidance of doubt, for purposes of this Agreement, the Grantee's transfer of employment from the Company to a Subsidiary, from a Subsidiary to the Company or from one Subsidiary to another Subsidiary shall not constitute a termination of employment.

(b) Performance Conditions. The Stock shall be issuable only if (and to the extent) that the Performance Criteria, set forth herein, are satisfied during the Performance Period. The Compensation and Leadership Development Committee of the Board (the "**Committee**") shall certify whether, and to what extent, the Performance Criteria have been achieved with respect to the Performance Period.

(2) **Stock, Dividends and Voting Rights**

(a) Issuance of Stock and Voting Rights. On the Payment Date, or as otherwise provided in Section 3 below in the event of the Grantee's death, the number of shares of Stock equal to the number of PSUs earned based on the Performance Criteria shall be issued to the Grantee, provided all conditions are satisfied. Notwithstanding the foregoing, if the Grantee works or resides outside the United States, the Company may, in its sole discretion, settle the PSUs in the form of a cash payment to the extent settlement in shares of Stock: (i) is prohibited under local law; (ii) would require the Grantee, the Company or any of its Subsidiaries to obtain the approval of any governmental and/or regulatory body in the Grantee's country; or (iii) is administratively burdensome. Alternatively, the Company may, in its sole discretion, settle the PSUs in shares of Stock but require the Grantee to sell such shares of Stock immediately or within a specified period following the Grantee's termination of employment (in which case, by entering into this Agreement the Grantee shall give the Company the authority to issue sales instructions on the Grantee's behalf). Prior to the Payment Date, the Grantee shall have no rights with respect to the shares of Stock, including, but not limited to rights to sell, assign, vote, exchange, transfer, pledge, hypothecate or otherwise dispose of the Stock. In addition, prior to the Payment Date, the Grantee shall not be entitled to receive dividends and shall not have any other rights with respect to the Stock.

(b) Dividend Equivalents. To the extent the Grantee holds PSUs under this Award the Grantee will be credited with a dividend equivalent payment on each PSU upon the payment by the Company of any cash dividend on a share of Stock equal to the amount of such dividend per share of Stock, which dividend equivalent payment shall be payable in cash (or if elected by the Committee in its sole discretion, in Shares having a Fair Market Value as of the Performance Certification Date equal to the amount of such dividends) on the Payment Date to the extent the underlying PSUs are earned. If and to the extent any PSUs subject to this Award are forfeited, any related dividend equivalent payment shall also be forfeited and no dividend equivalent payment shall be paid in respect of that portion of the Award which is forfeited and is not earned based on the achievement of the Performance Criteria applicable to the Award or the failure to satisfy the conditions set forth in Section 1.

(3) **Employment Events**. If Grantee's employment with the Company terminates or is interrupted, or if Grantee's status changes under the circumstances described below, Grantee's rights with respect to the Award will be affected as provided in this Section 3. If Grantee's employment with the Company is terminated prior to the end of the Performance Period for reasons other than those set forth below, the Award shall be forfeited.

Event	Following commencement of Performance Period and prior to the end of the Performance Period
Employment with the Employer terminates because of Disability (as defined in Section 14).	<ul style="list-style-type: none"> • The Grantee shall be entitled to retain a prorated number of PSUs subject to the Award if such PSUs have been earned. The PSUs will be prorated based on the number of complete calendar months of employment during the Performance Period through the date of termination of employment. • After the Performance Criteria are certified, shares of Stock equal to the prorated number of PSUs earned will be issued on the Payment Date.
Employment with the Employer terminates because of death.	<ul style="list-style-type: none"> • The Grantee's estate shall be entitled to a prorated number of PSUs subject to the Award, and the performance criteria shall be deemed to have been met at Target performance levels. The PSUs will be prorated based on the number of complete calendar months of employment during the Performance Period through the date of the Grantee's death. • The Grantee's estate shall be issued shares of Stock equal to the prorated number of PSUs within 75 days after the Grantee's death.
Employment with the Employer involuntarily terminates, for reasons other than for Cause and meets the requirements of a Change in Control Termination (as defined in Section 14).	Award shall be treated as described in Section 4.2(h)(ii) of the Plan, with immediate vesting and performance-criteria deemed to have been met at Target performance levels.
Unpaid leave of absence pursuant to published Company policy of 12 months or less (other than leaves described above) ¹	<ul style="list-style-type: none"> • The Grantee shall be entitled to retain a prorated number of PSUs subject to the Award if such PSUs have been earned. The PSUs will be prorated based on the number of complete calendar months of employment during the Performance Period through the date of termination of employment. • After the Performance Criteria are certified, shares of Stock equal to the prorated number of PSUs earned will be issued on the Payment Date.

¹ In the case of other leaves of absence not specified above, including any leaves that extend beyond 12 months, the Grantee will be deemed to have terminated employment on the date that the leave commences (so that the Award will be forfeited as of such date), unless the Committee identifies a valid business interest in doing otherwise, in which case it may specify what provisions it deems appropriate at its sole discretion; provided that the Committee shall have no obligation to consider any such matters.

(4) **Responsibility for Taxes**

(a) By accepting the Award and irrespective of any action taken by the Company or the Employer, the Grantee hereby acknowledges and agrees that the ultimate liability for all income tax, social insurance, social security, national insurance contributions, payroll tax, fringe benefits tax, payment on account or other tax-related items related to the Grantee's participation in the Plan and legally applicable to the Grantee ("**Tax-Related Items**"), is and remains the responsibility of the Grantee or the Grantee's estate (as applicable) and may exceed the amount actually withheld by the Company or the Employer. The Grantee acknowledges and understands that the requirements with respect to the Tax-Related Items may change from time to time as applicable laws or interpretations change.

(b) Grantee authorizes the Company, the Employer, and their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items withholding obligations by one or a combination of the following:

- (i) withholding from the Grantees' wages or other cash compensation paid to the Grantee by the Company and/or the Employer, or any other payment of any kind otherwise due to the Grantee by the Company and/or the Employer; or
- (ii) withholding from proceeds of the sale of shares of Stock acquired upon settlement of the Award, either through a voluntary sale or through a mandatory sale arranged by the Company (on the Grantee's behalf pursuant to this authorization without further consent); or
- (iii) retention of or withholding in shares of Stock to be issued upon settlement of the Award having a Fair Market Value that is sufficient to satisfy the Tax-Related Items.

The Company and/or the Employer may withhold or account for Tax-Related Items by considering applicable statutory withholding rates or other applicable withholding rates, including maximum applicable rates.

(c) Notwithstanding the foregoing in Section 4(b) of the Agreement, the Company, the Employer or their respective agents, as applicable, intend to withhold shares of Stock to be issued upon settlement of the Award having a Fair Market Value that is sufficient to satisfy the Tax-Related Items, unless the Grantee pays the applicable withholding amount in cash prior to any relevant taxable or tax withholding event, in accordance with procedures established by the Company, the Employer or their respective agents, as applicable. Further, if the Grantee is subject to Section 16 of the Securities Exchange Act of 1934, as amended, pursuant to Rule 16a-2 promulgated thereunder, the Company will withhold in shares of Stock unless the use of such withholding method is problematic under applicable law or has materially adverse accounting or tax consequences, in which case, the withholding obligation may be satisfied by one or a combination of methods set forth in Section 4(b)(i) and (ii).

(d) If the obligation for Tax-Related Items is satisfied by withholding in shares of Stock, for tax purposes, the Grantee is deemed to have been issued the full amount of Stock subject to the Award, notwithstanding that an amount of Stock is retained solely for the purpose of paying the Tax-Related Items.

(e) In addition, the Grantee shall pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of the Grantee's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Stock or the proceeds of the sale of Stock, if the Grantee fails to comply with the Grantee's obligations in connection with the Tax-Related Items.

(f) The Grantee further acknowledges that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, including, but not limited to, the grant, vesting or settlement of the Award, the issuance of Stock upon settlement of the Award, the subsequent sale of Stock acquired pursuant to such settlement and the receipt of any dividends and/or dividend equivalents; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Award to reduce or eliminate the Grantee's liability for Tax-Related Items or achieve any particular tax result. Further, if the Grantee is subject to tax in more than one jurisdiction, the Grantee acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

- (5) **Plan Administration.** The Award described in this Agreement has been granted subject to the terms of the Plan, and the shares deliverable to the Grantee in connection with an Award will be

from the shares available for grant pursuant to the terms of the Plan. Any change, interpretation, determination or modification of this Agreement by the Committee shall be final and conclusive for all purposes and on all persons including the Company and the Grantee; provided, however, that with respect to any amendment or modification of the Plan which affects the Award made hereby, the Committee shall have determined that such amendment or modification is in the best interests of the Grantee of such Award. The Committee has the exclusive discretionary authority to make findings of fact, conclusions, and determinations regarding the interpretation of the Agreement or relevant Plan provisions or the administration of the Award (including but not limited to determining exchange rates for Award settlement), and will have the exclusive and final authority to determine all calculations of all Award amounts. The Committee has the exclusive authority to establish administrative procedures to implement the terms of the Award. Any such procedure will be conclusive and binding on Participant.

(6) **Post-Employment Covenants**

(a) Notwithstanding any other term of the Agreement or any prior agreement to the contrary, in order to be eligible to earn any portion of the Award, the Grantee must have entered into an agreement containing restrictive covenants concerning limitations of the Grantee's behavior both during employment and following termination of employment that is satisfactory to the Company or one of its Affiliated Companies. In the event the Grantee engages in any action that violates any such restrictive covenants at any time during the term of the Agreement, the Award shall be forfeited. The Grantee further agrees that to the extent permitted by applicable law, upon demand by the Company or one of its Affiliated Companies, the Grantee will forfeit, return or repay the Benefits and Proceeds (as defined below) in the event the Grantee breaches any post-employment covenant with the Company and/or any of its Subsidiaries.

(b) For purposes of this Agreement, "**Benefits and Proceeds**" means:

- (i) to the extent the Grantee has received any Stock in satisfaction of this Award and the Grantee continues to hold those shares of Stock, the shares of Stock so acquired;
- (ii) to the extent the Grantee has received any Stock in satisfaction of this Award and no longer owns the shares of Stock so acquired, cash in an amount equal to the Fair Market Value of such shares of Stock on the date such payment is demanded by the Company (which, unless otherwise determined by the Committee, shall be equal to the closing sale price during regular trading hours of the shares of Stock as reported by the New York Stock Exchange on such date); and
- (iii) to the extent the Grantee has not received any Stock in satisfaction of this Award, all of the Grantee's remaining rights, title or interest in the Award.

(c) Upon reasonable request, the Grantee shall make himself or herself available to the Company to furnish full and truthful information concerning any event which took place during the Grantee's employment and to furnish full and truthful consultations concerning any potential litigation.

(7) **Clawback**. The Award shall be subject to the Company's Incentive Payment Clawback Policy and the Company's Executive Officer Incentive Payment Clawback Policy, as required under the Dodd-Frank Wall Street Reform and Consumer Protection Act and implementing applicable stock exchange listing standards or rules and regulations thereunder.

(8) **Right of Set-Off**. The Grantee agrees that the Company may, to the extent determined by the Company to be permitted by applicable law and consistent with the requirements of Section 409A of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), retain for itself funds otherwise payable to the Grantee pursuant to the Award or any award under any award program administered by the Company to offset: (a) any amounts paid by the Company to a third party

pursuant to any award, judgment, or settlement of a complaint, arbitration, or lawsuit of which the Grantee was the subject; or (b) any outstanding amounts (including, without limitation, travel and entertainment or advance account balances, loans, or repayment obligations under any award agreement. The Company may not retain such funds and set-off such obligations or liabilities, as described above, until such time as they would otherwise be payable to the Grantee in accordance with the Award terms. Only after-tax amounts will be applied to set-off the Grantee's obligations and liabilities and the Grantee will remain liable to pay any amounts that are not thereby satisfied in full.

- (9) **Modification.** If any of the terms of this Agreement may, in the opinion of the Company, conflict or be inconsistent with any applicable law or regulation of any governmental agency having jurisdiction, the Company reserves the right to modify this Agreement to be consistent with applicable laws or regulations. If all or any part or application of the provisions of this Agreement are held or determined to be invalid or unenforceable for any reason whatsoever by a court of competent jurisdiction in an action between the Grantee and the Company, each and all of the other provisions of this Agreement shall remain in full force and effect. No change or modification of this Agreement shall be valid unless it is in writing and signed by the party against which enforcement is sought, except where specifically provided to the contrary herein. Neither the Committee nor the Company will be liable to the Grantee for any additional personal tax or other adverse consequences of any modifications to the Award.
- (10) **Data Privacy.** The Grantee hereby acknowledges, and to the extent that consent is required, the Grantee hereby consents to the collection, use and transfer, in electronic or other form, of the Grantee's personal data as described in this Agreement and any other Award materials by and among, as applicable, the Employer, the Company and any Affiliated Company for the purpose of implementing, administering and managing the Grantee's participation in the Plan. The Employer and the Company will be joint data controllers in relation to the Grantee's personal data.

The Grantee understands that the Employer, the Company and any Affiliated Companies may hold certain personal information about the Grantee, including but not limited to his or her name, home address, email address, telephone number, date of birth, social security number, passport number or other identification number, salary, nationality, job title, any shares of Stock or directorships held in the Company and details of all Awards or any other entitlements to shares of Stock awarded, cancelled, vested, unvested, or outstanding in the Grantee's favor ("**Data**"), for the purpose of implementing, administering or managing the Plan. Certain Data may also constitute "sensitive personal data" within the meaning of applicable local law. Such Data includes, but is not limited to, the information provided above and any changes thereto and other appropriate personal and financial data about the Grantee. The Grantee hereby provides explicit consent to the Company, the Employer and any Affiliated Companies to process any such Data to the extent it is necessary for the purposes of implementing, administering and managing the Grantee's participation in the Plan.

The Grantee understands that Data will be transferred, for the purposes of implementing, administering and managing the Grantee's participation in the Plan, to such equity plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. The Grantee understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country (e.g., Canada, the United Kingdom, France or other location) may have data privacy laws and protections which provide standards of protection that are different to, or lower than, the standards provided by the data privacy laws in the Grantee's country (e.g., the United States). The Grantee understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. The Grantee authorizes the Company, the Company's equity service plan provider and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing his or her participation in the Plan. The Grantee understands that Data

will be held only as long as is necessary to implement, administer and manage the Grantee's participation in the Plan. The Grantee understands if he or she resides outside the United States, he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to or deletion of Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. Further, the Grantee understands that he or she is providing the consents herein on a purely voluntary basis. If the Grantee does not consent, or if the Grantee later seeks to revoke his or her consent, his or her employment status or service and career with the Employer will not be adversely affected; the only adverse consequence of refusing or withdrawing the Grantee's consent is that the Company would not be able to grant the Grantee Awards or other equity awards or administer or maintain such awards. Therefore, the Grantee understands that refusing or withdrawing his or her consent may affect the Grantee's ability to participate in the Plan. For more information on the consequences of the Grantee's refusal to consent or withdrawal of consent, the Grantee understands that he or she may contact his or her local human resources representative.

Finally, upon request of the Company or the Employer, the Grantee agrees to provide an executed data privacy consent form (or any other agreements or consents that may be required by the Company and/or the Employer) that the Company and/or the Employer may deem necessary to obtain from the Grantee for the purposes of administering the Grantee's participation in the Plan in compliance with the data privacy laws in the Grantee's country, either now or in the future. The Grantee understands and agrees that the Grantee will not be able to participate in the Plan if the Grantee fails to provide any such consent or agreement requested by the Company and/or the Employer.

(11) **Grantee Acknowledgements.** In accepting the Award, the Grantee acknowledges, understands and agrees that to the maximum extent permitted by law:

- (a) the Plan is established voluntarily by the Company, it is discretionary in nature and the Company can amend, modify, suspend, cancel or terminate it at any time, to the extent permitted under the Plan and applicable law;
- (b) this Award and any other awards under the Plan are voluntary and occasional and do not create any contractual or other right to receive future awards or benefits in lieu of any awards, even if similar awards have been granted repeatedly in the past;
- (c) all determinations with respect to any future awards, including, but not limited to, the times when awards are made, the amount of Stock, and the performance and other conditions attached to the awards, will be at the sole discretion of the Company and/or the Committee;
- (d) participation in this Plan or program is voluntary;
- (e) this Award and the underlying Stock, and any income derived therefrom, are not paid in lieu of, and are not intended to replace, any pension rights or compensation and are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any termination, severance, resignation, redundancy, dismissal, end of service payments, bonuses, holiday pay, long-service awards, life or accident insurance benefits, pension or retirement or welfare benefits or similar payments;
- (f) the Award and any shares of Stock acquired under the Plan are extraordinary, discretionary items that do not constitute compensation of any kind (and do not give a right of claim of any kind) for services of any kind rendered to the Company or its Affiliated Companies (including, as applicable, the Grantee's Employer) and which are outside the scope of the Grantee's employment contract, if any;
- (g) for the purposes of the Award, unless otherwise specified by the Company or any Subsidiary, the Grantee's employment will be considered terminated as of the date the Grantee is

no longer actively providing services to the Company or any Subsidiary (regardless of the reason for such termination and whether or not later to be found invalid or in breach of employment laws in the jurisdiction where the Grantee is employed or the terms of the Grantee's employment agreement, if any), and unless otherwise expressly provided in this Agreement or determined by the Company, the Grantee's right to earn any portion of the Award under the Plan, if any, will terminate as of such date and will not be extended by any notice period or period during which the Grantee is in receipt of pay in lieu of such notice or severance pay (e.g., the Grantee's period of service would not include any contractual, statutory or common law notice period or period during which the Grantee is in receipt of pay in lieu of such notice or severance pay, or any period of "garden leave", or similar period mandated under employment laws in the jurisdiction where the Grantee is employed or the terms of the Grantee's employment agreement, if any); the Committee shall have the exclusive discretion to determine when the Grantee is no longer actively employed for purposes of the Award (including whether the Grantee may still be considered to be employed while on a leave of absence);

(h) the future value of the underlying Stock is unknown, indeterminable and cannot be predicted with certainty;

(i) no claim or entitlement to compensation or damages shall arise from forfeiture of the Award resulting from the termination of the Grantee's employment or other service relationship (for any reason whatsoever whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Grantee is employed or the terms of the Grantee's employment agreement, if any), and in consideration of the grant of the Award to which the Grantee is otherwise not entitled, the Grantee irrevocably agrees never to institute any claim against the Company, the Employer or any Affiliated Company; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Grantee shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claim.

(j) the PSUs and the Grantee's participation in the Plan shall not create a right to employment or be interpreted as forming an employment or services contract with the Company, the Employer, any Subsidiary or any Affiliated Company and shall not interfere with the ability of the Company, the Employer, any Subsidiary or any Affiliated Company, as applicable, to terminate the Grantee's employment or service relationship (if any). The right of the Company or the Employer to terminate at will the Grantee's employment or service at any time for any reason is specifically reserved;

(k) if the Grantee is providing services outside the United States, the Grantee acknowledges and agrees that neither the Company, the Employer nor any Affiliated Company shall be liable for any foreign exchange rate fluctuation between the Grantee's local currency and the United States Dollar that may affect the value of the Award or of any amounts due to the Grantee pursuant to the settlement of the Award or the subsequent sale of any Stock acquired upon settlement; and

(l) in the event of any conflict between communications to the Grantee by the Company of the terms of this Agreement or the records of any third-party administrator and the Plan, the Plan will control.

(12) **No Advice Regarding Grant.** Neither the Company nor any Affiliated Company is providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Grantee's participation in the Plan, or the Grantee's acquisition or sale of the underlying Stock. The Grantee is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

(13) **Entire Agreement; Severability.** The Plan and this Agreement set forth the entire understanding between the Grantee, the Employer, the Company, and any Affiliated Company regarding the acquisition of the Stock relating to this Award and supersedes all prior oral and written agreements pertaining to this Award. If all or any part or application of the provisions of this Agreement are held or determined to be invalid or unenforceable for any reason whatsoever by a court of

competent jurisdiction in an action between the Grantee and the Company, each and all of the other provisions of this Agreement shall remain in full force and effect.

(14) **Definitions.** For purposes of this Agreement:

(a) “**Disability**” means:

- (i) in the United States, that the Grantee has been determined by the Social Security Administration to be totally disabled; and
- (ii) in all other jurisdictions, disability, as determined pursuant to the Employer's long-term disability policy.

(b) “**Change in Control Termination**” means the occurrence of both:

- (i) a Change in Control; and
- (ii) during the period commencing 12 months prior to the first occurrence of the Change in Control and ending 24 months after such Change in Control, the Company or one of its Subsidiaries involuntarily terminates the Grantee's employment without Cause or the Grantee terminates employment for Good Reason.

(15) **Compliance with Law.** Notwithstanding any other provision of the Plan or this Agreement, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the Stock, the Company shall not be required to deliver any Stock issuable upon settlement of the Award prior to the completion of any registration or qualification of the Stock under any local, state, federal or foreign securities or exchange control law or under rulings or regulations of the U.S. Securities and Exchange Commission (the “**SEC**”) or of any other governmental regulatory body, or prior to obtaining any approval or other clearance from any local, state, federal or foreign governmental agency, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable. The Grantee understands that the Company is under no obligation to register or qualify the Stock with the SEC or any state or foreign securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the Stock. Further, the Grantee agrees that the Company shall have unilateral authority to amend the Plan and the Agreement without the Grantee's consent to the extent necessary to comply with securities or other laws applicable to issuance of Stock.

(16) **Language.** If the Grantee is resident in a country where English is not an official language, the Grantee acknowledges and agrees that it is his or her express intent that this Agreement and the Plan and all other documents, notices and legal proceedings entered into, given or instituted pursuant to the PSUs be drawn up in English. Further, the Grantee acknowledges that he or she is sufficiently proficient in English to understand the terms and conditions of this Agreement and any documents related to the Plan or has had the ability to consult with an advisor who is sufficiently proficient in the English language. If the Grantee has received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

(17) **Electronic Delivery and Acceptance.** The Grantee consents and agrees to electronic delivery of any Plan documents, proxy materials, annual reports or other related documents, and to the electronic review, confirmation and acceptance procedures governing this Award. The Grantee consents and agrees that any such electronic procedures may be affected by a third party engaged by the Company to provide administrative services related to the Plan, including any program adopted under the Plan. The Grantee further agrees that his or her electronic signature is the same as, and shall have the same force and effect as, his or her manual signature. The Grantee acknowledges and agrees that the Company may provide personal information regarding the Grantee and any Award under the Plan, including, but not limited to this Award, to any third party engaged by the Company to provide administrative or brokerage services related to the Plan.

- (18) **Waiver.** The Grantee acknowledges that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by the Grantee or any other Grantee.
- (19) **Insider Trading Restrictions.** By participating in the Plan, the Grantee agrees to comply with the Company's policy on insider trading (to the extent that it is applicable to the Grantee). The Grantee further acknowledges that, depending on the Grantee's or his or her broker's country of residence or where the shares of Stock are listed, the Grantee may be subject to insider trading restrictions and/or market abuse laws which may affect the Grantee's ability to accept, acquire, sell or otherwise dispose of shares of Stock, rights to shares of Stock (e.g., Awards) or rights linked to the value of shares of Stock, during such times the Grantee is considered to have "inside information" regarding the Company as defined by the laws or regulations in the Grantee's country. Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Grantee places before he or she possessed inside information. Furthermore, the Grantee could be prohibited from (a) disclosing the inside information to any third party (other than on a "need to know" basis) and (b) "tipping" third parties or causing them otherwise to buy or sell securities. The Grantee understands that third parties may include fellow employees. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. The Grantee acknowledges that it is the Grantee's responsibility to comply with any applicable restrictions, and that the Grantee should, therefore, consult with his or her personal legal advisor.
- (20) **Exchange Control, Foreign Asset/Account and/or Tax Reporting.** Depending upon the country to which laws the Grantee is subject, the Grantee may have certain foreign asset/account and/or tax reporting requirements that may affect his or her ability to acquire or hold shares of Stock under the Plan or cash received from participating in the Plan (including from any dividends or sale proceeds arising from the sale of shares of Stock) in a brokerage or bank account outside the Grantee's country of residence. The Grantee's country may require that the Grantee report such accounts, assets or transactions to the applicable authorities in his or her country. The Grantee also may be required to repatriate cash received from participating in the Plan to his or her country within a certain period of time after receipt. The Grantee is responsible for knowledge of and compliance with any such regulations and should speak with his or her personal tax, legal and financial advisors regarding same.
- (21) **Mobility.** If, during the course of the Grantee's employment with the Company or any of its Subsidiaries or during the provision of services to the Company or any of its Subsidiaries, the Grantee relocates to another jurisdiction, the Company reserves the right to modify the terms of this Agreement and/or impose other requirements on the Grantee's participation in the Plan, on the PSUs and on any shares of Stock acquired under the Plan, to the extent the Company or any of its Subsidiaries determine it is necessary or advisable to comply with local law, rules and/or regulations or to facilitate the operation and administration of the PSU and the Plan, and to require the Grantee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing. The Grantee agrees to take any and all actions, and consents to any and all actions taken by the Company and its Subsidiaries, as may be required to allow the Company and its Subsidiaries to comply with local laws, rules and regulations in the Grantee's country of residence (or employment, if different).
- (22) **Section 409A.** This Agreement, including the right to receive Stock upon achievement of the Performance Criteria and satisfaction of the conditions in Section 1, is intended to be exempt from the requirements of section 409A of the Code pursuant to the short-term deferral exemption thereunder, and this Agreement, including the right to receive Stock upon the achievement of the Performance Criteria and satisfaction of the conditions in Section 1, shall be interpreted on a basis consistent with such intent. Notwithstanding any provision in this Agreement to the contrary, if the Grantee is a "specified employee" (as defined in section 409A of the Code) and it is necessary to postpone the commencement of any payments otherwise payable under this Agreement to prevent any accelerated or additional tax under section 409A of the Code, then the Company will postpone the payment until five (5) days after the end of the six-month period following the Grantee's

"separation from service" (as defined under section 409A of the Code). If the Grantee dies during the postponement period prior to the payment of postponed amount, the amounts withheld on account of section 409A of the Code shall be paid to the personal representative of the Grantee's estate within 60 days after the date of the Grantee's death. The determination of who is a specified employee, including the number and identity of persons considered specified employees and the identification date, shall be made by the Committee in accordance with the provisions of sections 416(i) and 409A of the Code. In no event shall the Grantee, directly or indirectly, designate the calendar year of payment. Notwithstanding any provision in this Agreement to the contrary, in the event of a Change in Control Termination, if the Change in Control does not constitute a change in ownership or effective control of, or a change in the ownership of a substantial portion of the assets of, the Company under section 409A of the Code and if required by section 409A of the Code, payment will be made on the date on which payment would have been made had there been no Change in Control. For purposes of section 409A of the Code, each payment under this Agreement shall be treated as a separate payment. This Agreement may be amended without the consent of the Grantee in any respect deemed by the Committee to be necessary in order to preserve compliance with section 409A of the Code or other applicable law.

- (23) **Governing Law and Venue** This Award and this Agreement has been made in and shall be governed by, construed under and in accordance with the laws of the State of Texas, without regard to the conflict of law provisions, as provided in the Plan. Any and all disputes relating to, concerning or arising from this Agreement, or relating to, concerning or arising from the relationship between the parties evidenced by the Award or this Agreement, shall be brought and heard exclusively in the United States District Court for the Southern District of Texas or Harris County, Texas, USA. Each of the parties hereby represents and agrees that such party is subject to the personal jurisdiction of said courts; hereby irrevocably consents to the jurisdiction of such courts in any legal or equitable proceedings related to, concerning or arising from such dispute, and waives, to the fullest extent permitted by law, any objection which such party may now or hereafter have that the laying of the venue of any legal or equitable proceedings related to, concerning or arising from such dispute which is brought in such courts is improper or that such proceedings have been brought in an inconvenient forum.

**SYSKO CORPORATION
PERFORMANCE SHARE UNIT AGREEMENT**

APPENDIX A

PERFORMANCE CRITERIA

1. Milestone Execution

[Redacted]

2. Budget

[Redacted]

3. Individual Performance

[Redacted]

The PSUs will vest only if, and to the extent that, all of the above Performance Criteria are satisfied. The Committee or its delegate, shall certify whether, and to what extent, the Performance Criteria have been achieved.

THE PERFORMANCE TARGETS SET FORTH ON THIS PAGE CONSTITUTE "CONFIDENTIAL INFORMATION" AND ANY DISCLOSURE OF SUCH PERFORMANCE TARGETS BY A PARTICIPANT PRIOR TO THE TIME SUCH PERFORMANCE TARGETS BECOME PUBLIC INFORMATION WILL RESULT IN SUCH PARTICIPANT FORFEITING HIS OR HER RIGHTS UNDER THIS PROGRAM.

SYSKO CORPORATION
SUBSIDIARY GUARANTORS AND ISSUERS OF GUARANTEED SECURITIES

Guaranteed Securities
Debentures, interest at 7.16%, maturing on April 15, 2027
Debentures, interest at 6.50%, maturing on August 1, 2028
Senior notes, interest at 5.375%, maturing on September 21, 2035
Senior notes, interest at 6.625%, maturing on March 17, 2039
Senior notes, interest at 5.95%, maturing on April 1, 2030
Senior notes, interest at 3.75%, maturing on October 1, 2025
Senior notes, interest at 4.85%, maturing on October 1, 2045
Senior notes, interest at 6.600%, maturing on April 1, 2040
Senior notes, interest at 3.30%, maturing on July 15, 2026
Senior notes, interest at 4.50%, maturing on April 1, 2046
Senior notes, interest at 3.250%, maturing on July 15, 2027
Senior notes, interest at 4.45%, maturing on March 15, 2048
Senior notes, interest at 2.400%, maturing on February 15, 2030
Senior notes, interest at 3.300%, maturing on February 15, 2050
Senior notes, interest at 6.600%, maturing on April 1, 2050
Senior notes, interest at 2.450%, maturing on December 14, 2031
Senior notes, interest at 3.150%, maturing on December 14, 2051
Senior notes, interest at 5.750%, maturing on January 17, 2029
Senior notes, interest at 6.000%, maturing on January 17, 2034
Senior notes, interest at 5.10%, maturing September 23, 2030
Senior notes, interest at 5.40%, maturing March 23, 2035
\$3.0 Billion Revolving Credit Facility

Subsidiary Name	Issuer	Guarantor
Sysco Corporation	X	
Sysco Albany, LLC		X
Sysco Asian Foods, Inc.		X
Sysco Atlanta, LLC		X
Sysco Baltimore, LLC		X
Sysco Baraboo, LLC		X
Sysco Boston, LLC		X
Sysco Central Alabama, LLC		X
Sysco Central California, Inc.		X
Sysco Central Florida, Inc.		X
Sysco Central Illinois, Inc.		X
Sysco Central Pennsylvania, LLC		X
Sysco Charlotte, LLC		X
Sysco Chicago, Inc.		X
Sysco Cincinnati, LLC		X
Sysco Cleveland, Inc.		X
Sysco Columbia, LLC		X
Sysco Connecticut, LLC		X
Sysco Detroit, LLC		X
Sysco Eastern Maryland, LLC		X
Sysco Eastern Wisconsin, LLC		X
Sysco Grand Rapids, LLC		X
Sysco Gulf Coast, LLC		X
Sysco Hampton Roads, Inc.		X
Sysco Hawaii, Inc.		X
Sysco Indianapolis, LLC		X
Sysco Iowa, Inc.		X
Sysco Jackson, LLC		X
Sysco Jacksonville, Inc.		X
Sysco Kansas City, Inc.		X
Sysco Knoxville, LLC		X
Sysco Lincoln, Inc.		X
Sysco Long Island, LLC		X
Sysco Los Angeles, Inc.		X
Sysco Louisville, Inc.		X
Sysco Memphis, LLC		X
Sysco Metro New York, LLC		X
Sysco Minnesota, Inc.		X
Sysco Montana, Inc.		X
Sysco Nashville, LLC		X
Sysco North Dakota, Inc.		X
Sysco Northern New England, Inc.		X
Sysco Philadelphia, LLC		X

Sysco Pittsburgh, LLC		X
Sysco Portland, Inc.		X
Sysco Raleigh, LLC		X
Sysco Riverside, Inc.		X
Sysco Sacramento, Inc.		X
Sysco San Diego, Inc.		X
Sysco San Francisco, Inc.		X
Sysco Seattle, Inc.		X
Sysco South Florida, Inc.		X
Sysco Southeast Florida, LLC		X
Sysco Spokane, Inc.		X
Sysco St. Louis, LLC		X
Sysco Syracuse, LLC		X
Sysco USA I, Inc.		X
Sysco USA II, LLC		X
Sysco USA III, LLC		X
Sysco Ventura, Inc.		X
Sysco Virginia, LLC		X
Sysco West Coast Florida, Inc.		X
Sysco Western Minnesota, Inc.		X

CERTIFICATION

I, Kevin P. Hourican, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Sysco Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 29, 2025

/s/ KEVIN P. HOURICAN

Kevin P. Hourican

Chair of the Board and Chief Executive Officer

CERTIFICATION

I, Kenny K. Cheung, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Sysco Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 29, 2025

/s/ KENNY K. CHEUNG

Kenny K. Cheung

Executive Vice President, Chief Financial Officer

CERTIFICATION PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002

I, Kevin P. Hourican, Chair of the Board and Chief Executive Officer, of Sysco Corporation (the “company”), certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

1. The company’s Quarterly Report on Form 10-Q for the fiscal quarter ended March 29, 2025 (“Quarterly Report”) fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and
2. All of the information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the company.

Date: April 29, 2025

/s/ KEVIN P. HOURICAN

Kevin P. Hourican

Chair of the Board and Chief Executive Officer

CERTIFICATION PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002

I, Kenny K. Cheung, Executive Vice President, Chief Financial Officer, of Sysco Corporation (the “company”), certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

1. The company’s Quarterly Report on Form 10-Q for the fiscal quarter ended March 29, 2025 (“Quarterly Report”) fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and
2. All of the information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the company.

Date: April 29, 2025

/s/ KENNY K. CHEUNG

Kenny K. Cheung

Executive Vice President, Chief Financial Officer