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| **Item 1A.** | **Risk Factors** |

We are subject to many risks and uncertainties. Some of these risks and uncertainties may cause our business, financial position, results of operations and cash flows to vary, and they may materially or adversely affect our financial performance. The risks and uncertainties described below in this Annual Report are not the only ones we face. Other risks and uncertainties, which are not currently known to us or which we currently believe are immaterial, may adversely affect our business, financial position, results of operations and cash flows.

**Risks Relating to Our Business and Industry**

***Our business is a low-margin business, and our profitability is directly affected by cost deflation or inflation, commodity volatility and other factors.***

The U.S. foodservice distribution industry is characterized by relatively high inventory turnover with relatively low profit margins. Volatile commodity costs have a direct impact on our industry. We make a significant portion of our sales at prices that are based on the cost of products we sell, plus a margin percentage or markup. As a result, our profit levels may be negatively affected during periods of product cost deflation, even though our gross profit percentage may remain relatively constant. Prolonged periods of product cost inflation also may reduce our profit margins and earnings, if product cost increases cannot be passed on to customers because they resist paying higher prices. In addition, periods of rapid inflation may have a negative effect on our business. There may be a lag between the time of the price increase and the time at which we are able to pass it along to customers, as well as the impact it may have on discretionary spending by consumers.

***Competition in our industry is intense, and we may not be able to compete successfully.***

The U.S. foodservice distribution industry is highly competitive. Foodservice distributors with a national footprint have great financial and other resources. Furthermore, there are a large number of local and regional distributors. These companies often align themselves with other smaller distributors through purchasing cooperatives and marketing groups. The goal is to enhance their geographic reach, private label offerings, overall purchasing power, cost efficiencies, and ability to meet customer distribution requirements. These distributors also rely on local presence as a source of competitive advantage, and they may have lower costs and other competitive advantages due to geographic proximity. Additionally, adjacent competition, such as cash-and-carry operations, commercial wholesale outlets, club stores and grocery stores, continue to serve the commercial foodservice market. We also experience competition from online direct food wholesalers. We generally do not have exclusive service agreements with our customers, and they may switch to other suppliers that offer lower prices or differentiated products or customer service. The cost of switching suppliers is very low, as are the barriers to entry into the U.S. foodservice distribution industry. We believe most purchasing decisions in the U.S. foodservice distribution industry are based on the quality and price of the product, plus a distributor’s ability to completely and accurately fill orders and provide timely deliveries.

Increased competition has caused the U.S. foodservice distribution industry to change as distributors seek to lower costs, further increasing pressure on the industry’s profit margins. Heightened competition among our suppliers, significant pricing initiatives and discount programs established by competitors, new entrants, and trends toward consolidation and vertical integration could create additional competitive pressures that reduce margins and adversely affect our business, financial condition, and results of operations.

***We rely on third party suppliers, and our business may be affected by interruption of supplies or increases in product costs.***

We obtain most of our foodservice and related products from third party suppliers. We typically do not have long-term contracts with suppliers. Although our purchasing volume can provide leverage when dealing with suppliers, suppliers may not provide the foodservice products and supplies we need in the quantities and at the time and prices requested. We do not control the actual production of most of the products we sell. This means we are also subject to delays caused by interruption in production and increases in product costs based on conditions outside our control. These conditions include work slowdowns, work interruptions, strikes or other job actions by employees of suppliers; severe weather; crop conditions; product recalls; transportation interruptions; unavailability of fuel or increases in fuel costs; competitive demands; and natural disasters, terrorist attacks or other catastrophic events (including, but not limited to, the outbreak of food-borne illnesses in the United States). Our inability to obtain

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adequate supplies of foodservice and related products because of any of these or other factors could mean that we could not fulfill our obligations to our customers and, as a result, our customers may turn to other distributors.

***Our relationships with our customers and GPOs may be materially diminished, terminated or otherwise changed, which could reduce our profitability.***

Most of our customers buy from us pursuant to individual purchase orders, and we often do not enter into long-term agreements with these customers. Because these customers are not contractually obligated to continue purchasing products from us, we cannot be assured that the volume and/or number of our customers’ purchase orders will remain consistent or increase or that we will be able to maintain our existing customer base.

Further, some of our customers purchase their products under arrangements with GPOs. GPOs act as agents on behalf of their members by negotiating pricing, delivery, and other terms with us. Our customers who are members of GPOs purchase products directly from us on the terms negotiated by their GPO. GPOs use the combined purchasing power of their members to negotiate more favorable prices than their members would typically be able to negotiate on their own, and we have experienced some pricing pressure from customers which associate themselves with a GPO. While no single customer represented more than 3% of our total net sales in fiscal year 2018, approximately 26% of our net sales in fiscal year 2018 were made to customers under terms negotiated by GPOs (including approximately 13% of our net sales in fiscal year 2018 that were made to customers that are members of one GPO). If an independent restaurant customer which becomes a member of a GPO that has a contract with us, we may be forced to lower our prices to that customer, which would negatively impact our operating margin. In addition, if we are unable to maintain our relationships with GPOs, or if GPOs are able to negotiate more favorable terms for their members with our competitors, we could lose some or all of that business.

Market competition, customer requirements, customer financial condition and customer consolidation through mergers and acquisitions also could adversely affect our ability to continue or expand our relationships with customers and GPOs. There is no guarantee that we will be able to retain or renew existing agreements, maintain relationships with any of our customers or GPOs on acceptable terms or at all or collect amounts owed to us from insolvent customers. Our customer and GPO agreements are generally terminable upon advance written notice (typically ranging from 30 days to six months) by either us or the customer or GPO, which provides our customers and GPOs with the opportunity to renegotiate their contracts with us or to award more business to our competitors.

Significant decreases in the volume and/or number of our customers’ purchase orders, or the loss of one or more of our major customers or GPOs or our inability to grow to our current customer base, could adversely affect our business, financial condition, and results of operations.

***If we fail to increase or maintain our sales to independent restaurant customers, our profitability may suffer.***

Our most profitable customers are independent restaurants. We tend to work closely with these customers, providing them access to our customer value added tools and as a result are able to earn a higher operating margin on sales to them. Our ability to continue to gain market share of independent restaurant customers is critical to achieving increased operating profits. Changes in the buying practices of independent restaurant customers, including their ability to require us to sell to them at discounted rates, or decreases in our sales to this type of customer could have a material negative impact on our profitability.

***We may fail to effectively integrate the businesses we acquire.***

Historically, a portion of our growth has come through acquisitions. In July 2018, we announced that we agreed to acquire the SGA Food Group Companies for $1.8 billion in cash, the closing of which remains subject to receipt of required regulatory approvals and other customary conditions. To fund a substantial portion of the consideration, we entered into a commitment letter with JPMorgan Chase Bank, N.A., Bank of America, N.A. and Merrill Lynch, Pierce, Fenner & Smith Incorporated (collectively, the “Committed Parties”) under which the Committed Parties committed to provide us with a $1.5 billion senior secured term loan facility.

If we are unable to integrate acquired businesses successfully or realize anticipated synergies in a timely manner, we may not realize our projected return on investment and our business and results of operations may be adversely affected. Integrating acquired businesses may be more difficult in a region or market where we have limited expertise. A significant expansion of our business and operations, in terms of geography or magnitude, could strain our administrative and/or operational resources. Significant acquisitions may also require incurring additional debt.

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This could increase our interest expense and make it difficult for us to obtain financing for other significant acquisitions or capital investments in the future.

***We may be unable to achieve some or all of the benefits that we expect from our cost savings initiatives.***

We may not be able to realize some or all of our expected cost savings. A variety of factors could cause us not to realize some of the expected cost savings, including, among others, delays in the anticipated timing of activities related to our cost savings initiatives, lack of sustainability in cost savings over time, and unexpected costs associated with operating our business. All of these factors could negatively affect our results of operations and financial condition.

***Significant increases in fuel costs could hurt our business.***

The high cost of fuel can negatively affect consumer confidence and discretionary spending. This may reduce the frequency and amount spent by consumers for food prepared away from home. The high cost of fuel may also increase the price we pay for products, as well as the costs we incur to deliver products to our customers. These factors may, in turn, negatively affect our sales, margins, operating expenses, and operating results. Although, from time to time, we enter into forward purchase commitments for some of our fuel requirements at prices equal to the then-current market price, these forward purchases may prove ineffective and result in us paying higher than market costs for part of our fuel.

***An economic downturn, or other factors affecting consumer confidence, could reduce the amount of food prepared and consumed away from home, which could harm our business.***

The U.S. foodservice distribution industry is sensitive to national, regional and local economic conditions. In the past, an uneven level of general U.S. economic activity, uncertainty in the financial markets, and slow job growth had a negative impact on consumer confidence and discretionary spending. A decline in economic activity or the frequency and amount spent by consumers for food prepared away from home, as well as other macroenvironmental factors which could decrease general consumer confidence (including volatile financial markets or an uncertain political environment), may could negatively impact our business and results of operations.

***Changes in consumer eating habits could materially and adversely affect our business and results of operations.***

Changes in consumer eating habits (such as a decline in consuming food away from home, a decline in portion sizes, or a shift in preferences toward restaurants that are not our customers) could reduce demand for our products and adversely affect our business and results of operations. Consumer eating habits could be affected by a number of factors, including changes in attitudes regarding diet and health or new information regarding the health effects of consuming certain foods. There is a growing consumer preference for sustainable, organic and locally grown products. Changing consumer eating habits also occur due to generational shifts. Millennials, the largest demographic group in the U.S. in terms of spend, generally seek new and different as well as more ethnic menu options and menu innovation. Millennials also generally value diversity. If consumer eating habits change significantly, we may be required to modify or discontinue sales of certain items in our product portfolio, and we may experience higher costs associated with the implementation of those changes. Changing consumer eating habits may reduce the frequency with which consumers purchase meals outside of the home. Additionally, changes in consumer eating habits may result in the enactment or amendment of laws and regulations that impact the ingredients and nutritional content of our food products, or laws and regulations requiring us to make additional disclosure regarding the nutritional content of our food products. Compliance with these laws and regulations, as well as others regarding the ingredients and nutritional content of our food products, may be costly and time-consuming. If we are not able to effectively respond to changes in consumer health perceptions or resulting new laws or regulations or to adapt our menu offerings to trends in eating habits, our business and results of operations could suffer.

***Any negative media exposure or other event that harms our reputation could hurt our business and results of operations.***

Maintaining a good reputation is critical to our business, particularly in selling our private label products. Any event that damages our reputation, justified or not, could quickly and negatively affect our business and results of operations. This includes adverse publicity about the quality, safety or integrity of our products. Reports, whether or

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not they are true, of food-borne illnesses (such as e. coli, avian flu, bovine spongiform encephalopathy, hepatitis A, trichinosis or salmonella) and injuries caused by food tampering could severely injure our reputation. If patrons of our customers become ill from food-borne illnesses, the customers could be forced to temporarily close locations and our sales would correspondingly decrease. In addition, instances of food-borne illnesses or food tampering or other health concerns, even those unrelated to our products, can result in negative publicity about the U.S. foodservice distribution industry and adversely affect our business and results of operations.

***We face risks related to labor relations and costs.***

As of December 29, 2018, we had approximately 25,000 employees, of which approximately 4,400 were members of local unions associated with the International Brotherhood of Teamsters and other labor organizations. Our failure to effectively renegotiate any CBAs could result in work stoppages. From time to time, we may be subject to increased efforts to subject us to multi-location labor disputes, as individual labor agreements expire or labor disputes arise. This would place us at greater risk of being unable to continue to operate one or more facilities, delaying deliveries, possibly causing customers to seek alternative suppliers, or otherwise being materially adversely affected by labor disputes. When there are labor related issues at a facility represented by a local union, sympathy strikes may occur at other facilities that are represented by other local unions. While we believe we have generally satisfactory relationships with our employees, including the unions that represent some of our employees, a work stoppage due to our failure to renegotiate union contracts or for other reasons could have a material adverse effect on our business and results of operations.

Further, potential changes in labor legislation and case law could result in current non-union portions of our workforce, including our warehouse and delivery personnel, being subjected to greater organized labor influence. If additional portions of our workforce became subject to CBAs, this could result in increased costs of doing business as we would become subject to mandatory, binding arbitration or labor scheduling, costs and standards, which may reduce our operating flexibility.

We are subject to a wide range of labor costs. Because our labor costs are, as a percentage of net sales, higher than many other industries, even if we are able to successfully renegotiate CBAs and avoid work stoppages, we may be significantly impacted by labor cost increases. In addition, labor is a significant cost of many of our customers in the U.S. food-away-from-home industry. Any increase in their labor costs, including any increases in costs as a result of increases in minimum wage requirements, could reduce the profitability of our customers and reduce their demand for our products.

***If we are unable to attract or retain a qualified and diverse workforce, our business could be negatively affected.***

The success of our business depends on our ability to attract, train, develop and retain a highly skilled and diverse workforce. Recruiting and retention efforts, and actions to increase productivity, may not be successful, and we could encounter a shortage of qualified employee talent in the future. Changes in immigration laws and policies could also make it more difficult for us to recruit or relocate qualified employee talent to meet our business needs. A labor shortage could potentially increase labor costs, reduce our profitability and/or decrease our ability to effectively serve customers.

***If our competitors implement a lower cost structure and offer lower prices to our customers, we may be unable to adjust our cost structure to compete profitably and retain those customers.***

Over the last several decades, the U.S. food retail industry has undergone a significant change. Companies such as Wal-Mart and Costco have developed a lower cost structure, providing their customers with an everyday low-cost product offering. In addition, commercial wholesale outlets, such as Restaurant Depot, offer an additional low-cost option in the markets they serve. As a large-scale U.S. foodservice distributor, we have similar strategies to remain competitive in the marketplace by reducing our cost structure. However, to the extent more of our competitors adopt an everyday low price strategy, we would potentially be pressured to offer lower prices to our customers. That would require us to achieve additional cost savings to offset these reductions. If we are unable to change our cost structure and pricing practices rapidly enough to successfully compete in that environment, our business and results of operations may be adversely affected.

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***Changes in applicable tax laws and regulations and the resolution of tax disputes could negatively affect our financial results.***

We are subject to income and other taxes in the U.S. and various state and local jurisdictions and changes in tax laws or regulations or tax rulings may have an adverse impact on our effective tax rate. The U.S. and many state and local jurisdictions where we do business have recently enacted or are actively considering changes in relevant tax, accounting and other laws, regulations and interpretations.  For example, on December 22, 2017, the U.S. federal government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act of 2017 (the “Tax Act”). The Tax Act made broad and complex changes to the U.S. federal income tax code, the impacts of which are described elsewhere in this Annual Report.  Given the unpredictability of possible changes to U.S. federal and state and local tax laws and regulations, it is very difficult to predict their cumulative effect on our results of operations and cash flows, but new and changed laws and regulations could adversely impact our results of operations.  We are also subject to the examination of our tax returns and other tax matters by the Internal Revenue Service (the “IRS”) and other state and local tax authorities and governmental bodies, for which we regularly assess the likelihood of an adverse outcome. If the ultimate determination of these examinations is that taxes are owed by us for an amount in excess of amounts previously accrued, our financial condition, results of operations and cash flows could be adversely affected.

***Our business is subject to significant environmental, health and safety and other government regulation. Failure to comply with these regulations could lead to lawsuits, investigations and other liabilities and restrictions on our operations that could significantly and adversely affect our business.***

Our operations are subject to a broad range of U.S. federal, state and local laws and regulations relating to the protection of the environment, health and safety. These laws and regulations govern many issues, including discharges to air, soil and water; the handling and disposal of hazardous substances; the investigation and remediation of contamination resulting from the release of petroleum products and other hazardous substances; employee health and safety; food safety; and fleet safety. In the course of our operations, we operate and maintain vehicle fleets, use and dispose of hazardous substances, and store fuel in on-site aboveground and underground storage tanks. At several current and former facilities, we are investigating and remediating known or suspected contamination from historical releases of fuel and other hazardous substances that is not currently the subject of any administrative or judicial proceeding, but we may be subject to administrative or judicial proceedings in the future for contamination related to releases of fuel or other hazardous substances. Some jurisdictions in which we operate have laws and regulations that affect the composition and operation of truck fleets, such as limits on diesel emissions and engine idling. A number of our facilities have ammonia or freon-based refrigeration systems, propane, and battery powered forklifts, which could cause injury or environmental damage. Proposed or recently enacted legal requirements, such as those requiring the phase-out of certain ozone-depleting substances or otherwise regulating greenhouse gas emissions, may require us to upgrade or replace equipment or may otherwise increase our operating costs. We are additionally subject to governmental regulation at the U.S. federal, state, and local levels in many other areas of our business, including trade, anticorruption, and employment. As an example, due to contracts we have with federal and state governmental entities, governmental agencies have, from time to time, conducted audits of or requested information regarding our pricing practices as part of investigations of providers of services under governmental contracts.

Failing to comply with applicable legal and regulatory requirements, or encountering disagreements with respect to our contracts subject to governmental regulation, could result in a number of adverse situations. These could include investigations; administrative, civil, or criminal penalties or fines; mandatory or voluntary product recalls; cease and desist orders against operations that are not in compliance; closing facilities or operations; debarments from contracting with governmental entities; and loss or modification of existing, or rejection of additional, licenses, permits, registrations, or approvals. These laws and regulations may change in the future. The costs of compliance and consequences of non-compliance could have a material adverse effect on our business, financial condition, or results of operations.

***We may be subject to or affected by liability claims related to products we distribute and manufacture.***

As a seller and manufacturer of food, we may be exposed to potential product liability claims in the event that the products we sell and/or manufacture cause injury or illness. We believe we have sufficient primary or excess umbrella liability insurance to cover product liability claims. We also generally seek contractual indemnification and insurance coverage from parties supplying products to us. If our current insurance does not continue to be available at a reasonable cost or is inadequate to cover all of our liabilities, or if our indemnification or insurance coverage is limited, as a practical matter, by the creditworthiness of the indemnifying party or the insured limits of our suppliers’

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insurance coverage, the liability related to defective products we sell and/or manufacture could adversely affect our business and results of operations.

***Adverse judgments or settlements resulting from legal proceedings in which we are or may be involved in the normal course of our business could limit our ability to operate our business and adversely affect our results of operations.***

In the normal course of our business, we are involved in various legal proceedings. The outcome of these proceedings cannot be predicted. If any of these proceedings were determined adversely to us or require a settlement involving a payment of a material sum of money, it could materially and adversely affect our business and results of operations. Additionally, we could become the subject of future claims by third parties, including our employees, suppliers, customers, our investors, or regulators. Any significant adverse judgments or settlements could reduce our profits and limit our ability to operate our business.

***We rely heavily on technology, and any disruption in existing technology or delay in implementing new technology could adversely affect our business.***

Our ability to control costs and maximize profits, as well as to serve customers most effectively, depends on the reliability of our information technology systems and related data entry processes in our transaction intensive business. We rely on software and other information technology to manage significant aspects of our business, such as purchasing, order processing, warehouse/inventory management, truck loading and logistics and optimization of storage space. Any disruption to this information technology could negatively affect our customer service, decrease the volume of our business, and result in increased costs. We have invested and continue to invest in technology security initiatives, business continuity, and disaster recovery plans in order to insulate ourselves from technology disruption that could impair operations and profits.

Information technology evolves rapidly. To compete effectively, we are required to integrate new technologies in a timely and cost-effective manner. If competitors implement new technologies before we do, allowing them to provide lower priced or enhanced services of superior quality compared to those we provide, our business and results of operations could be adversely affected.

***A cybersecurity incident or other technology disruptions could negatively affect our business and our relationships with customers.***

We rely upon information technology networks and systems to process, transmit and store electronic information, to process online credit card payments, and to manage or support virtually all of our business processes and activities. We also use mobile devices, social networking and other online activities to connect with our employees, suppliers, business partners and customers. These uses give rise to cybersecurity risks, including security breach, espionage, system disruption, theft, online platform hijacking that could redirect online credit card payments to another credit card processing website, and inadvertent or unauthorized release of information. Our business involves the storage and transmission of numerous classes of sensitive and/or confidential information and intellectual property, including personal information of customers and suppliers, private information about employees, and financial and strategic information about us and our business partners. Further, we are also expanding and improving our information technologies, resulting in a larger technological presence and corresponding increase in exposure to cybersecurity risk. Additionally, while we have implemented measures to prevent security breaches and cyber incidents, our preventative measures and incident response efforts may not be entirely effective. The theft, destruction, loss, misappropriation, or release of sensitive and/or confidential information or intellectual property, or interference with our information technology systems or the technology systems of third parties on which we rely, could result in business disruption, negative publicity, brand damage, violation of privacy laws, loss of customers, potential liability, and competitive disadvantage, which in turn could adversely affect our business and results of operations.

***Our retirement benefits could give rise to significant expenses and liabilities in the future.***

We sponsor defined benefit pension and other postretirement plans. These pension and postretirement obligations give rise to costs that are dependent on various assumptions including those discussed in Note 18, Retirement Plans, in our consolidated financial statements. In addition to the plans we sponsor, we also contribute to various multiemployer pension plans administered by labor unions representing some of our employees. We make periodic

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contributions to these plans to allow them to meet their pension benefit obligations to their participants. In the event that we withdraw from participating in one of these plans, then applicable law could require us to make additional withdrawal liability payments to the plan based on the applicable plan’s funding status.

In addition, in the ordinary course of our renegotiation of CBAs with labor unions that maintain these plans, we could decide to discontinue participation in a plan. In that event, we could also face withdrawal liability. We could also be treated as withdrawing from participation in one of these plans, if the number of our employees participating in these plans is reduced to a certain degree over certain periods of time. A reduction in the number of employees participating in these plans could occur as a result of changes in our business or operations, such as facility closures or consolidations. Some multiemployer plans, including ones to which we contribute, are reported to have significant underfunded liabilities, which could increase the size of our potential withdrawal liability. Any withdrawal liability payments that we are required to make, including for the reasons stated above, could adversely affect our financial condition or results of operations.

***Extreme weather conditions and natural disasters, and other catastrophic events, may interrupt our business, or our customers’ businesses, which could have a material adverse effect on our business, financial condition, or results of operations.***

Some of our facilities and our customers’ facilities are located in areas that may be subject to extreme, and occasionally prolonged, weather conditions, including, but not limited to, hurricanes, tornadoes, blizzards, and extreme cold. Extreme weather conditions may interrupt our operations in such areas. Furthermore, extreme weather conditions may interrupt or impede access to our customers’ facilities or otherwise reduce the number of consumers who visit our customers’ facilities, all of which could have an adverse effect on our business, financial condition, or results of operations.

In addition, our business could be affected by large-scale terrorist acts or the outbreak or escalation of armed hostilities (especially those directed against or otherwise involving the U.S.), the widespread outbreak of infectious diseases or the occurrence of other catastrophic events (including, but not limited to, the outbreak of food-borne illnesses in the U.S.). Any of these events could impair our ability to manage our business and/or cause disruption of economic activity, which could have an adverse effect on our business, financial condition, or results of operations.

***We rely on trademarks, trade secrets, and other forms of intellectual property protections, which may not be adequate to protect us from misappropriation or infringement of our intellectual property.***

We rely on a combination of trademark, trade secret and other intellectual property laws in the U.S. We have applied for registration of a limited number of trademarks in the U.S. and in certain other countries, some of which have been registered or issued. We cannot guarantee that our applications will be approved by the applicable governmental authorities, or that third parties will not seek to oppose or otherwise challenge our registrations or applications. We also rely on unregistered proprietary rights, including common law trademark protection. Third parties may use trademarks identical or confusingly similar to ours, or independently develop trade secrets or know-how similar or equivalent to ours. If our proprietary information is divulged to third parties, including our competitors, or our intellectual property rights are otherwise misappropriated or infringed, our business could be harmed or adversely affected.

***Our products may infringe the intellectual property rights of others, which may cause us to incur unexpected costs or prevent us from selling our products.***

We cannot be certain that our products do not and will not infringe intellectual property rights of others. We may be subject to legal proceedings and claims in the ordinary course of our business, including claims of alleged infringement of intellectual property rights of third parties by us or our customers in connection with their use of our products. Any such claims, whether or not meritorious, could result in costly litigation and divert the efforts of our management and personnel. Moreover, if we were found liable for infringement, we may be required to enter into licensing agreements (if available on acceptable terms or at all) or to pay damages and to cease making or selling certain products, which could cause us to incur significant costs and/or prevent us from selling or manufacturing certain products.

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**Risks Relating to Our Indebtedness**

***Our level of indebtedness could adversely affect our financial condition and our ability to raise additional capital or obtain financing in the future, react to changes in our business, and make required payments on our debt.***

As of December 29, 2018, we had $3,457 million of indebtedness, net of $11 million of unamortized deferred financing costs.

Our level of indebtedness could have important consequences to us, including the following:

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| • | a substantial portion of our cash flows from operations must be dedicated to the payment of principal and interest on our indebtedness, thereby reducing the funds available to us for other purposes, including for working capital, capital expenditures, acquisitions, debt service requirements and general corporate purposes; |

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| • | we are exposed to the risk of increased interest rates because approximately 41% of the principal amount of our borrowings was at variable rates of interest as of December 29, 2018; |

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| • | it may be difficult for us to satisfy our obligations to our lenders, resulting in possible defaults on and acceleration of such indebtedness; |

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| • | we may be more vulnerable to general adverse economic and industry conditions; |

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| • | we may be at a competitive disadvantage compared to our competitors with less debt or comparable debt at more favorable interest rates and they, as a result, may be better positioned to withstand economic downturns; |

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| • | our ability to refinance indebtedness and obtain additional financing may be limited or the associated costs of refinancing and obtaining additional financing may increase; and |

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| • | our flexibility to adjust to changing market conditions and ability to withstand competitive pressures could be limited, and we may be prevented from carrying out capital spending that is necessary or important to our growth strategy and efforts to improve operating margins of our business. |

Our indebtedness may further increase from time to time and we may be able to incur substantial additional indebtedness, including secured debt, in the future for various reasons. Although the agreements governing our indebtedness contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of significant qualifications and exceptions and, under certain circumstances, the amount of indebtedness that could be incurred in compliance with these restrictions could be substantial. In order to fund a substantial portion of the consideration in our contemplated acquisition of the SGA Food Group Companies, the closing of which remains subject to receipt of required regulatory approvals and other customary conditions, we entered into a commitment letter under which the Committed Parties committed to provide us with a $1.5 billion senior secured term loan facility. Incurring substantial additional indebtedness could further exacerbate the risks associated with our level of indebtedness.

***The agreements governing our indebtedness contain restrictions and limitations that could significantly impact our ability to operate our business.***

The agreements governing our indebtedness contain covenants that, among other things, restrict our ability to do the following:

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| • | dispose of assets; |

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| • | incur additional indebtedness (including guarantees of additional indebtedness); |

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| • | pay dividends and make certain payments; |

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| • | create liens on assets; |

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| • | make investments (including entering joint ventures); |

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| • | engage in certain business combination transactions; |

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| • | engage in certain transactions with affiliates; |

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| • | change the business conducted by us; and |

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| • | amend specific debt agreements. |

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In addition, the agreements governing our indebtedness subject us to various financial covenants. Our ability to comply with these provisions in future periods will depend on our ongoing financial and operating performance, as discussed under the caption “Risks Related to Our Business and Industry,” above. Our ability to comply with these provisions in future periods will also depend substantially on the pricing of our products, our success at implementing cost reduction initiatives and our ability to successfully implement our overall business strategy.

The restrictions under the agreements governing our indebtedness may prevent us from taking actions that we believe would be in the best interest of our business, and may make it difficult for us to successfully execute our business strategy or effectively compete with companies that are not similarly restricted. We may also incur future debt obligations that might subject us to additional restrictive and financial covenants that could affect our financial and operational flexibility. We cannot assure that we will be granted waivers of or amendments to these obligations if for any reason we are unable to comply with them or that we will be able to refinance our debt on terms acceptable to us, or at all.

Our ability to comply with the covenants and restrictions contained in the agreements governing our indebtedness may be affected by economic, financial and industry conditions beyond our control. The breach of any of these covenants or restrictions could result in a default under the agreements governing our indebtedness that would permit the applicable lenders or note holders, as the case may be, to declare all amounts outstanding thereunder to be due and payable, together with accrued and unpaid interest. If we are unable to repay debt, lenders having secured obligations could proceed against the collateral securing the debt. In any such case, we may be unable to borrow under and may not be able to repay the amounts due under our indebtedness. This could have serious consequences to our financial condition and results of operations and could cause us to become bankrupt or insolvent.

***Our ability to generate the significant amount of cash needed to pay interest and principal on our debt facilities and our ability to refinance all or a portion of our indebtedness or obtain additional financing depends on many factors beyond our control.***

Our ability to make scheduled payments on, or to refinance our obligations under, our debt facilities depends on our financial and operating performance and prevailing economic and competitive conditions. Certain of these financial and business factors, many of which may be beyond our control, are described under the caption “Risks Related to our Business and Industry,” above.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay capital expenditures, sell assets, raise additional equity capital or restructure our debt. However, there is no assurance that such alternative measures may be successful or permitted under the agreements governing our indebtedness and, as a result, we may not be able to meet our scheduled debt service obligations. In the absence of such operating results and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations.

Our accounts receivable financing facility (the “ABS Facility”) and our asset-backed senior secured revolving loan facility (“ABL Facility”) both mature in 2020. Our senior secured term loan facility (the “Term Loan Facility”) will mature in 2023. Our 5.875% unsecured senior notes (the “Senior Notes”) will mature in 2024. We cannot assure that we will be able to refinance our indebtedness or obtain additional financing on satisfactory terms, or at all, particularly due to our level of indebtedness and the debt incurrence restrictions imposed by the agreements governing our indebtedness. Further, the cost and availability of credit are subject to changes in the economic environment. If conditions in major credit markets deteriorate, our ability to refinance our indebtedness or obtain additional financing on satisfactory terms, or at all, may be negatively affected.

***Increases in interest rates and potential upcoming regulatory changes could increase the cost of servicing our debt and have an adverse effect on our results of operations and cash flows.***

After considering interest rate swaps that fixed the interest rate on $1.1 billion of principal of our Term Loan Facility, approximately 41% of the principal amount of our debt bears interest at variable rates as of December 29, 2018. As a result, additional increases in interest rates would increase the cost of servicing our debt and could have an adverse effect on our results of operations and cash flows. The impact of such an increase could be more significant for us than it would be for some other companies because of our level of indebtedness.

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In addition, in July 2017, the United Kingdom’s Financial Conduct Authority, which regulates the London Interbank Offered Rate (“LIBOR”), announced that it intends to phase out LIBOR by the end of 2021. It is unclear if LIBOR will cease to exist or if new methods of calculating LIBOR will be established such that it continues to exist. Each of our ABL Facility, ABS Facility, and Term Loan Facility utilizes U.S. dollar LIBOR as a factor in determining the applicable interest rate. As such, depending on the future of LIBOR, we may need to renegotiate certain terms of the agreements governing our indebtedness to replace U.S. dollar LIBOR with a new standard, which could increase the cost of servicing our debt and have an adverse effect on our results of operations and cash flows.

**Risks Relating to Ownership of Our Common Stock**

***Our stock price may change significantly, and you may not be able to sell your shares of our common stock at or above the price you paid or at all, and you could lose all or part of your investment as a result.***

The stock market routinely experiences periods of large or extreme volatility. In some instances, this volatility is unrelated or disproportionate to the operating performance of particular companies.

The trading price of our common stock may be adversely affected due to a number of factors, including those described under the caption “Risks Relating to Our Business and Industry,” above, and the following, many of which we cannot control:

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| • | results of operations that vary from the expectations of securities analysts and investors; |

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| • | results of operations that vary from those of our competitors; |

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| • | changes in expectations as to our or our industry’s future financial performance, including financial estimates and investment recommendations by securities analysts and investors, and the publication of research reports regarding the same; |

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| • | declines in the market prices of stocks, trading volumes and company valuations, particularly those of foodservice distribution companies; |

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| • | strategic actions by us or our competitors; |

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| • | changes in preferences of our customers and purchasing habits of consumers; |

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| • | announcements by us or our competitors of significant contracts, new products, acquisitions, joint marketing relationships, joint ventures, other strategic relationships, or capital commitments; |

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| • | changes in general economic or market conditions or trends in our industry or markets; |

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| • | changes in business or regulatory conditions; |

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| • | future issuances or sales or purchases of our common stock or other securities; |

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| • | investor perceptions or the investment opportunity associated with our common stock relative to other investment alternatives; |

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| • | a default on our indebtedness or a downgrade in our or our competitors’ credit ratings; |

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| • | the public’s response to press releases or other public announcements by us or third parties, including our filings with the SEC; |

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| • | changes in senior management or other key personnel; |

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| • | announcements relating to litigation; |

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| • | guidance, if any, that we provide to the public, any changes in this guidance, or our failure to meet this guidance; |

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| • | the sustainability of an active trading market for our common stock; |

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| • | changes in accounting principles; |

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| • | occurrences of extreme or inclement weather; and |

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| • | other events or factors, including those resulting from natural disasters, war, or acts of terrorism, and responses to these events. |

In the past, following periods of market volatility or material announcements or events, stockholders have instituted securities class action litigation against various companies. If we were involved in securities litigation, it could have

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a substantial cost and divert resources and the attention of executive management from our business regardless of the outcome of such litigation.

***Because we have no current plans to pay cash dividends on our common stock, you may not receive any return on investment unless you sell your common stock for a price greater than that which you paid for it.***

We have no current plans to pay any cash dividends for the foreseeable future. The declaration, amount, and payment of any future dividends on shares of common stock will be at the sole discretion of our Board of Directors. Our Board of Directors may take into account general and economic conditions, our financial condition and results of operations, our available cash and current and anticipated cash needs, capital requirements, contractual, legal, tax, and regulatory restrictions, implications of the payment of dividends by us to our stockholders or by our subsidiaries to us, and such other factors as our Board of Directors may deem relevant. In addition, our ability to pay dividends is limited by covenants in the agreements governing our indebtedness and may be limited by covenants relating to any future indebtedness we or our subsidiaries incur. As a result, you may not receive any return on an investment in our common stock unless you sell our common stock for a price greater than that which you paid for it.

***Anti-takeover provisions in our organizational documents and Delaware law could delay or prevent a change of control.***

Certain provisions of our Restated Certificate of Incorporation (our “Certificate of Incorporation”) and our Third Amended and Restated Bylaws (our “Bylaws”), as well as the laws of the State of Delaware, our jurisdiction of incorporation, may have an anti-takeover effect and may delay, defer, or prevent a merger, acquisition, tender offer, takeover attempt, or other change of control transaction that a stockholder might consider in its interest, including those attempts that might result in a premium over the market price for the shares of our common stock held by stockholders.

Even in the absence of a takeover attempt, the existence of these provisions may adversely affect the prevailing market price of our common stock if the provisions are viewed as discouraging takeover attempts in the future. Certain provisions in our Certificate of Incorporation and Bylaws, as well as the laws of the State of Delaware, may also make it difficult for stockholders to replace or remove members of our Board of Directors. These provisions may facilitate management entrenchment that may delay, deter, render more difficult or prevent a change in control of the Company.

***Our Certificate of Incorporation contains provisions limiting the personal liability of our directors for breaches of fiduciary duty under Delaware law.***

Our Certificate of Incorporation contains provisions permitted under the laws of the State of Delaware relating to the liability of directors. These provisions eliminate a director’s personal liability to the fullest extent permitted by the laws of the State of Delaware for monetary damages resulting from a breach of fiduciary duty, except in circumstances involving:

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| • | breaches of the director’s duty of loyalty; |

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| • | acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law; |

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| • | unlawful dividends; or |

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| • | transactions from which the director derives an improper personal benefit. |

The principal effect of the limitation on liability provision is that the consequences of a stockholder prosecuting an action for monetary damages against a director may be limited, unless the stockholder can demonstrate a basis for liability for which indemnification is not available under the laws of the State of Delaware. These provisions, however, should not limit or eliminate our rights or any stockholder’s rights to seek non-monetary relief, such as an injunction or rescission, in the event of a breach of a director’s fiduciary duty. These provisions will not alter a director’s liability under federal securities laws. The inclusion of this provision in our Certificate of Incorporation

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may discourage or deter stockholders or management from bringing a lawsuit against directors for a breach of their fiduciary duties, even though such an action, if successful, might otherwise have benefited us and our stockholders.