

Albertsons Companies, Inc. and Subsidiaries
Consolidated Balance Sheets
(in millions, except share data)

	February 29, 2020	February 23, 2019
ASSETS		
Current assets		
Cash and cash equivalents	\$ 470.7	\$ 926.1
Receivables, net	525.3	586.2
Inventories, net	4,352.5	4,332.8
Prepaid assets	255.0	316.2
Other current assets	127.8	88.7
Total current assets	5,731.3	6,250.0
Property and equipment, net	9,211.9	9,861.3
Operating lease right-of-use assets	5,867.4	—
Intangible assets, net	2,087.2	2,834.5
Goodwill	1,183.3	1,183.3
Other assets	654.0	647.5
TOTAL ASSETS	\$ 24,735.1	\$ 20,776.6
LIABILITIES		
Current liabilities		
Accounts payable	\$ 2,891.1	\$ 2,918.7
Accrued salaries and wages	1,126.0	1,054.7
Current maturities of long-term debt and finance lease obligations	221.4	148.8
Current operating lease obligations	563.1	—
Current portion of self-insurance liability	308.9	306.8
Taxes other than income taxes	318.1	309.0
Other current liabilities	475.7	414.7
Total current liabilities	5,904.3	5,152.7
Long-term debt and finance lease obligations	8,493.3	10,437.6
Long-term operating lease obligations	5,402.8	—
Deferred income taxes	613.8	561.4
Long-term self-insurance liability	838.5	839.5
Other long-term liabilities	1,204.3	2,334.7
Commitments and contingencies		
STOCKHOLDERS' EQUITY		
Preferred stock, \$0.01 par value; 30,000,000 shares authorized, no shares issued and outstanding as of February 29, 2020 and February 23, 2019, respectively	—	—
Common stock, \$0.01 par value; 1,000,000,000 shares authorized, 279,597,312 and 277,882,010 shares issued and outstanding as of February 29, 2020 and February 23, 2019, respectively	2.8	2.8
Additional paid-in capital	1,827.3	1,814.2
Treasury stock, at cost, 1,772,018 shares held as of February 29, 2020 and February 23, 2019, respectively	(25.8)	(25.8)
Accumulated other comprehensive (loss) income	(118.5)	91.3
Retained earnings (accumulated deficit)	592.3	(431.8)
Total stockholders' equity	2,278.1	1,450.7
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 24,735.1	\$ 20,776.6

Albertsons Companies, Inc. and Subsidiaries
Consolidated Statements of Operations and Comprehensive Income
(in millions, except per share data)

	53 weeks ended February 29, 2020	52 weeks ended February 23, 2019	52 weeks ended February 24, 2018
Net sales and other revenue	\$ 62,455.1	\$ 60,534.5	\$ 59,924.6
Cost of sales	44,860.9	43,639.9	43,563.5
Gross profit	17,594.2	16,894.6	16,361.1
Selling and administrative expenses	16,641.9	16,272.3	16,208.7
(Gain) loss on property dispositions and impairment losses, net	(484.8)	(165.0)	66.7
Goodwill impairment	—	—	142.3
Operating income (loss)	1,437.1	787.3	(56.6)
Interest expense, net	698.0	830.8	874.8
Loss (gain) on debt extinguishment	111.4	8.7	(4.7)
Other expense (income), net	28.5	(104.4)	(9.2)
Income (loss) before income taxes	599.2	52.2	(917.5)
Income tax expense (benefit)	132.8	(78.9)	(963.8)
Net income	\$ 466.4	\$ 131.1	\$ 46.3
Other comprehensive income (loss), net of tax:			
(Loss) gain on interest rate swaps	(3.4)	(15.5)	47.0
Recognition of pension (loss) gain	(210.5)	(83.1)	92.2
Foreign currency translation adjustment	0.3	(0.3)	65.0
Other	3.8	(0.9)	(0.3)
Other comprehensive (loss) income	\$ (209.8)	\$ (99.8)	\$ 203.9
Comprehensive income	\$ 256.6	\$ 31.3	\$ 250.2
Net income per common share:			
Basic net income per common share	\$ 1.67	\$ 0.47	\$ 0.17
Diluted net income per common share	1.67	0.47	0.17
Weighted average common shares outstanding:			
Basic	279.6	280.1	279.7
Diluted	280.1	280.2	279.7

The accompanying notes are an integral part of these Consolidated Financial Statements.

Albertsons Companies, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
(in millions)

	53 weeks ended February 29, 2020	52 weeks ended February 23, 2019	52 weeks ended February 24, 2018
Cash flows from operating activities:			
Net income	\$ 466.4	\$ 131.1	\$ 46.3
Adjustments to reconcile net income to net cash provided by operating activities:			
(Gain) loss on property dispositions and impairment losses, net	(484.8)	(165.0)	66.7
Goodwill impairment	—	—	142.3
Depreciation and amortization	1,691.3	1,738.8	1,898.1
Operating lease right-of-use assets amortization	570.3	—	—
LIFO expense	18.4	8.0	3.0
Deferred income tax	(5.9)	(81.5)	(1,094.1)
Pension and post-retirement benefits (income) expense	(2.0)	24.5	(0.9)
Contributions to pension and post-retirement benefit plans	(11.0)	(199.3)	(21.9)
Loss (gain) on interest rate swaps and commodity hedges, net	50.6	(1.3)	(6.2)
Amortization and write-off of deferred financing costs	39.8	42.7	56.1
Loss (gain) on debt extinguishment	111.4	8.7	(4.7)
Equity-based compensation expense	32.8	47.7	45.9
Other operating activities	2.5	(42.7)	110.3
Changes in operating assets and liabilities, net of effects of acquisition of businesses:			
Receivables, net	60.8	28.8	21.7
Inventories, net	(38.1)	80.3	45.6
Accounts payable, accrued salaries and wages and other accrued liabilities	85.3	98.4	(158.2)
Operating lease liabilities	(584.4)	—	—
Self-insurance assets and liabilities	(4.0)	(48.7)	(55.3)
Other operating assets and liabilities	(95.5)	17.4	(75.9)
Net cash provided by operating activities	1,903.9	1,687.9	1,018.8
Cash flows from investing activities:			
Business acquisitions, net of cash acquired	—	—	(148.8)
Payments for property, equipment and intangibles, including payments for lease buyouts	(1,475.1)	(1,362.6)	(1,547.0)
Proceeds from sale of assets	1,096.7	1,252.0	939.2
Proceeds from sale of Casa Ley	—	—	344.2
Other investing activities	(0.1)	23.8	(56.6)
Net cash used in investing activities	(378.5)	(86.8)	(469.0)