

**UNITED NATURAL FOODS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
*(In thousands, except per share data)*

	July 28, 2018	July 29, 2017
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 23,315	\$ 15,414
Accounts receivable, net of allowance of \$15,996 and \$13,939, respectively	579,702	525,636
Inventories	1,135,775	1,031,690
Deferred income taxes	—	40,635
Prepaid expenses and other current assets	50,122	49,295
Total current assets	1,788,914	1,662,670
Property and equipment, net	571,146	602,090
Goodwill	362,495	371,259
Intangible assets, net of accumulated amortization of \$64,438 and \$49,926, respectively	193,209	208,289
Other assets	48,708	42,255
Total assets	<u>\$ 2,964,472</u>	<u>\$ 2,886,563</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 517,125	\$ 534,616
Accrued expenses and other current liabilities	169,658	157,243
Current portion of long-term debt	12,441	12,128
Total current liabilities	699,224	703,987
Notes payable	210,000	223,612
Deferred income taxes	44,384	98,833
Other long-term liabilities	27,200	28,347
Long-term debt, excluding current portion	137,709	149,863
Total liabilities	1,118,517	1,204,642
Commitments and contingencies (Note 10)		
Stockholders' equity:		
Preferred stock, \$0.01 par value, authorized 5,000 shares; none issued or outstanding	—	—
Common stock, \$0.01 par value, authorized 100,000 shares; 51,025 shares issued and 50,411 shares outstanding at July 28, 2018; 50,622 issued and outstanding shares at July 29, 2017	510	506
Additional paid-in capital	483,623	460,011
Treasury stock at cost	(24,231)	—
Accumulated other comprehensive loss	(14,179)	(13,963)
Retained earnings	1,400,232	1,235,367
Total stockholders' equity	1,845,955	1,681,921
Total liabilities and stockholders' equity	<u>\$ 2,964,472</u>	<u>\$ 2,886,563</u>

*See accompanying notes to consolidated financial statements.*

**UNITED NATURAL FOODS, INC. AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF INCOME**
*(In thousands, except per share data)*

	Fiscal year ended		
	July 28, 2018	July 29, 2017	July 30, 2016
Net sales	\$ 10,226,683	\$ 9,274,471	\$ 8,470,286
Cost of sales	8,703,916	7,845,550	7,190,935
Gross profit	1,522,767	1,428,921	1,279,351
Operating expenses	1,279,529	1,196,032	1,049,690
Restructuring and asset impairment expenses	16,013	6,864	5,552
Total operating expenses	1,295,542	1,202,896	1,055,242
Operating income	227,225	226,025	224,109
Other expense (income):			
Interest expense	16,471	17,114	16,259
Interest income	(446)	(360)	(1,115)
Other, net	(1,545)	(5,152)	743
Total other expense, net	14,480	11,602	15,887
Income before income taxes	212,745	214,423	208,222
Provision for income taxes	47,075	84,268	82,456
Net income	\$ 165,670	\$ 130,155	\$ 125,766
Basic per share data:			
Net income	\$ 3.28	\$ 2.57	\$ 2.50
Weighted average basic shares of common stock	50,530	50,570	50,313
Diluted per share data:			
Net income	\$ 3.26	\$ 2.56	\$ 2.50
Weighted average diluted shares of common stock	50,837	50,775	50,399

*See accompanying notes to consolidated financial statements.*

**UNITED NATURAL FOODS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Fiscal year ended		
	July 28, 2018	July 29, 2017	July 30, 2016
<i>(In thousands)</i>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net income	\$ 165,670	\$ 130,155	\$ 125,766
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	87,631	86,051	71,006
Deferred income tax (benefit) expense	(14,819)	(1,891)	12,480
Share-based compensation	25,783	25,675	15,308
Excess tax deficit from share-based payment arrangements	—	1,320	83
Loss on disposition of assets	2,820	943	458
Restructuring and asset impairment	3,370	640	758
Goodwill impairment	7,872	—	—
Gain associated with disposal of investment	(699)	(6,106)	—
Change in accounting estimate	(20,909)	—	—
Provision for doubtful accounts	12,006	5,728	6,426
Non-cash interest expense (income)	275	175	(106)
Changes in assets and liabilities, net of acquired companies:			
Accounts receivable	(67,283)	(38,757)	29,417
Inventories	(108,795)	(6,929)	2,113
Prepaid expenses and other assets	4,473	(6,383)	5,381
Accounts payable	4,395	90,217	14,379
Accrued expenses and other liabilities	7,682	(62)	13,140
Net cash provided by operating activities	109,472	280,776	296,609
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Capital expenditures	(44,608)	(56,112)	(41,375)
Purchases of acquired businesses, net of cash acquired	(39)	(9,207)	(306,724)
Long-term investment	(3,397)	(2,000)	—
Proceeds from disposal of investment	756	9,192	—
Payment of company owned life insurance premiums	—	(2,000)	(2,925)
Proceeds from disposition of assets	283	168	109
Net cash used in investing activities	(47,005)	(59,959)	(350,915)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Proceeds from borrowings under revolving credit line	556,061	215,662	709,972
Repayments of borrowings under revolving credit line	(569,671)	(418,693)	(646,481)
Repayments of long-term debt	(12,128)	(11,546)	(11,255)
Repurchase of common stock	(24,231)	—	—
(Decrease) increase in bank overdraft	(434)	(7,445)	6,063
Proceeds from exercise of stock options	975	274	2,011
Payment of employee restricted stock tax withholdings	(4,563)	(1,313)	(1,717)
Excess tax deficit from share-based payment arrangements	—	(1,320)	(83)
Capitalized debt issuance costs	—	(180)	(2,164)
Net cash (used in) provided by financing activities	(53,991)	(224,561)	56,346
Effect of exchange rate changes on cash and cash equivalents	(575)	565	(827)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>7,901</b>	<b>(3,179)</b>	<b>1,213</b>
Cash and cash equivalents at beginning of period	15,414	18,593	17,380
Cash and cash equivalents at end of period	\$ 23,315	\$ 15,414	\$ 18,593
<i>Supplemental disclosures of cash flow information:</i>			
Cash paid for interest	\$ 16,471	\$ 17,115	\$ 16,696
Cash paid for federal and state income taxes, net of refunds	\$ 64,042	\$ 78,984	\$ 67,028

*See accompanying notes to consolidated financial statements.*