SpartanNash

Fiscal 2021 4th Quarter Earnings Release

February 24, 2022

Disclaimer

The matters discussed in this presentation and in the Company's website-accessible conference calls with analysts and investor presentations include "forward-looking statements" about the plans, strategies, objectives, goals or expectations of the Company. These forward-looking statements are identifiable by words or phrases indicating that the Company or management "expects," "anticipates," "plans," "believes," or "estimates," or that a particular occurrence or event "may," "could," "should," "will" or "will likely" result, occur or be pursued or "continue" in the future, that the "outlook" or "trend" is toward a particular result or occurrence, that a development is an "opportunity," "priority," "strategy," "focus," that the Company is "positioned" for a particular result, or similarly stated expectations. Undue reliance should not be placed on these forward-looking statements, which speak only as of the date made.

There are many important factors that could cause actual results to differ materially. These risks and uncertainties include the Company's ability to compete in the highly competitive grocery distribution, retail grocery and military distribution industries; disruptions associated with the COVID-19 pandemic; the Company's ability to manage its private brand program for U.S. military commissaries; the Company's ability to implement its growth strategy; the ability of customers to fulfill their obligations to the Company; the Company's dependence on certain major customers, suppliers and vendors; disruptions to the Company's information security network; instances of security threats, severe weather conditions and natural disasters; impairment charges for goodwill and other long-lived assets; the Company's ability to successfully manage leadership transitions; the Company's ability to service its debt and to comply with debt covenants; interest rate fluctuations; changes in the military commissary system, including its supply chain, or in the level of governmental funding; product recalls and other product-related safety concerns; labor relations issues and rising labor costs; changes in government regulations; and other risks and uncertainties listed under "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's most recent Annual Report on Form 10-K subsequent filings with the Securities and Exchange Commission.

Additional risks and uncertainties not currently known to the Company or that the Company currently believes are immaterial also may impair its business, operations, liquidity, financial condition and prospects. The Company undertakes no obligation to update or revise its forward-looking statements to reflect developments that occur or information obtained after the date of this presentation.

In addition to presenting financial results in accordance with GAAP, this presentation also includes information regarding adjusted EBITDA and adjusted earnings per share, which are non-GAAP financial measures. Please see the appendix for a reconciliation of each non-GAAP financial measure to the most directly comparable measure, prepared and presented in accordance with GAAP.

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A Strong Close to Fiscal 2021 – Fourth Quarter Results

$2.1 Billion
Net Sales

+7.3%
Retail Comparable Store Sales

15.4%
Gross Margin
+37 bps vs. Q4’20

+16.9%
Retail Comparable Store Sales vs. Q4’19

$22.2 Million
Net Earnings

$43.0 Million
Adjusted EBITDA*

* See appendix for reconciliations of non-GAAP measures to their most directly comparable GAAP measures.

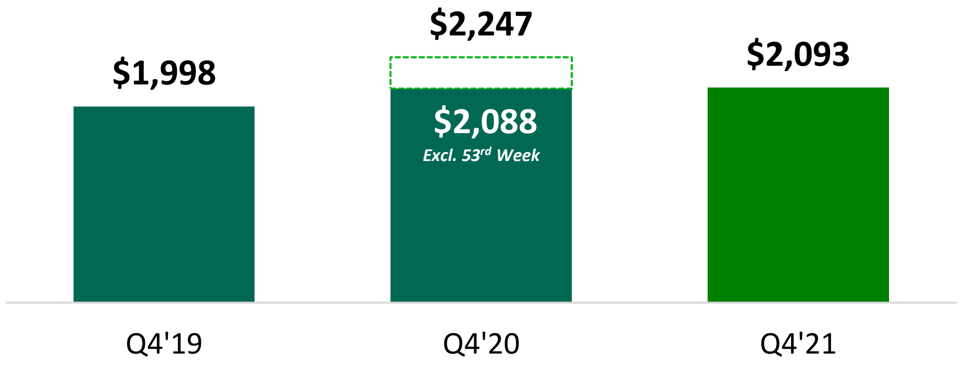
Financial Performance Above Pre-COVID Levels

Q4’21 Results

Total Net Sales

$ millions

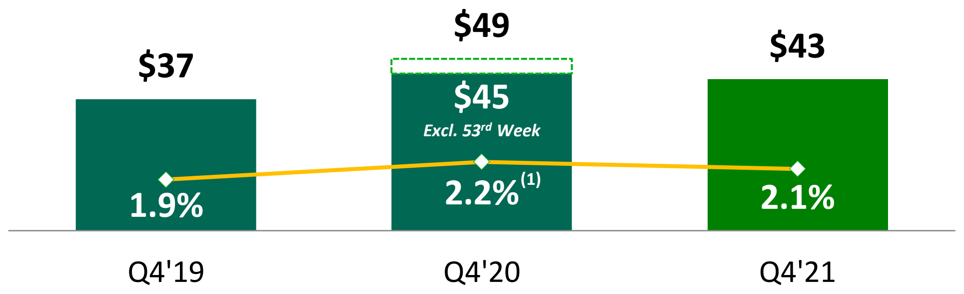
53rd Week Impact



Adj. EBITDA*

$ millions

% Margin

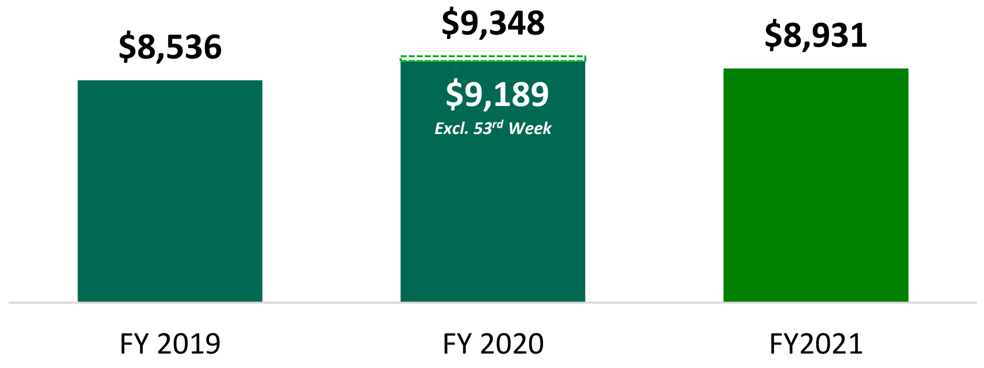


FY’21 Results

Total Net Sales

$ millions

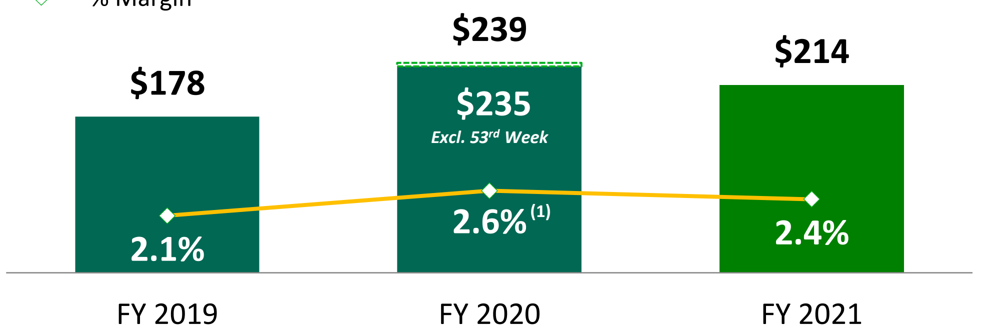
53rd Week Impact



Adj. EBITDA*

$ millions

% Margin



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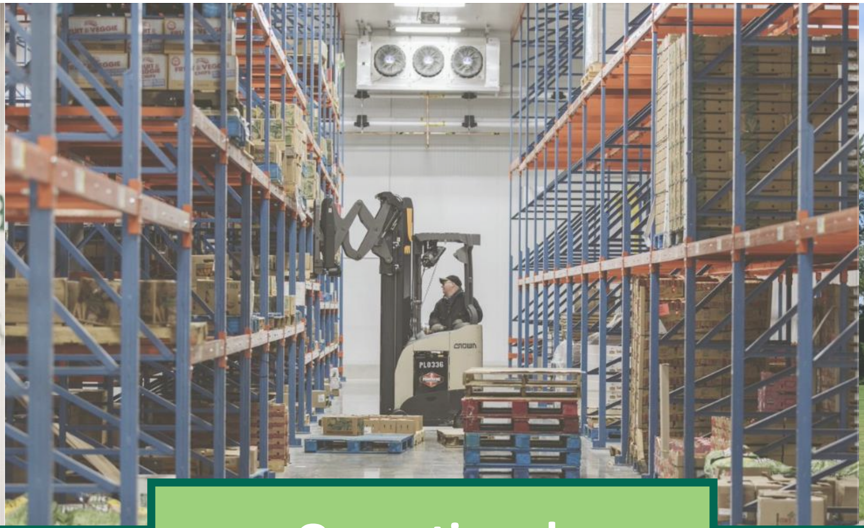
* See appendix for reconciliations of non-GAAP measures to their most directly comparable GAAP measures.
(1) Reflects margin including the impact of the 53rd week.

Our Winning Recipe



People

Create a People First Culture to Win the War for Talent

Operational Excellence

Elevate Execution to Win the Day

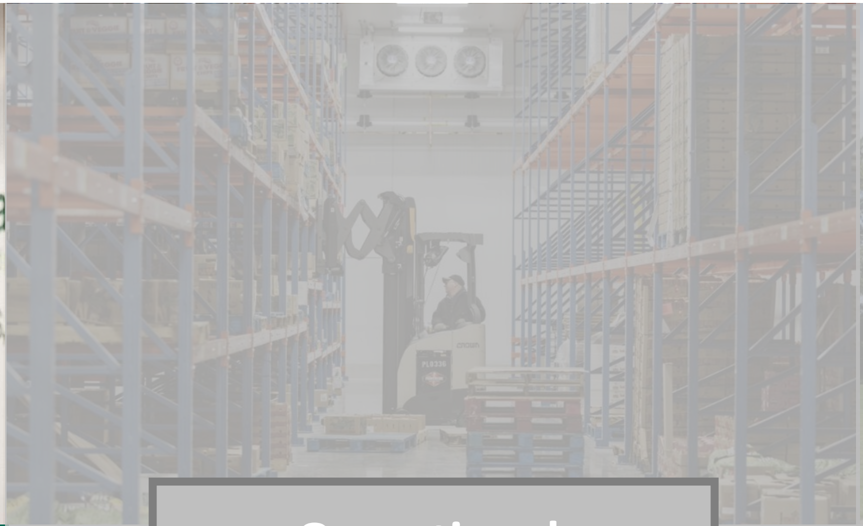
Deliver on the Promise to Transform the Supply Chain

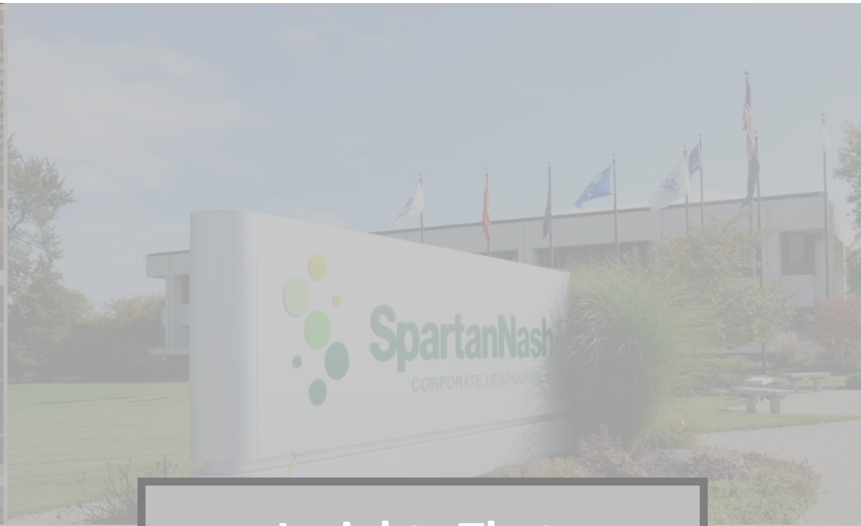
Insights That Drive Solutions

Act on Insights to Optimize Customer-Product Portfolios

Launch Customer-centric, Innovative Solutions

Our People First Culture…





People

Operational Excellence

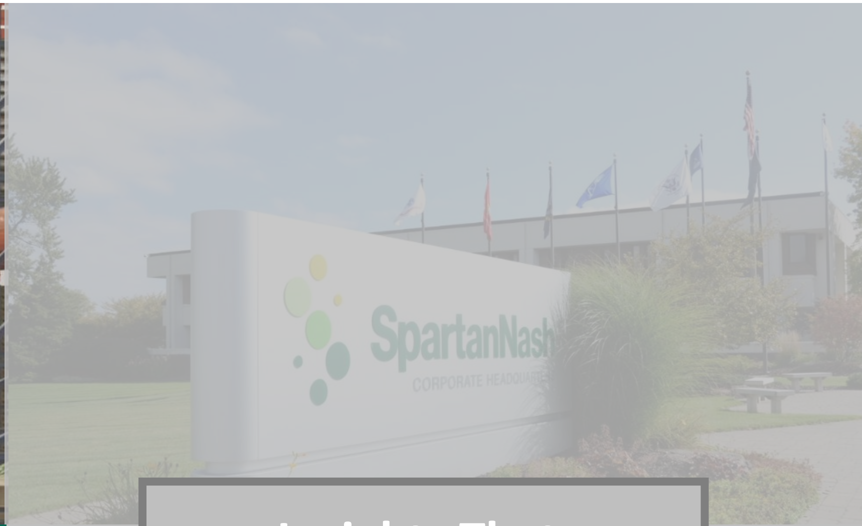
Insights That Drive Solutions

- ✓ Provided an average of **+10% in pay increases** for all entry-level roles in retail and supply chain
- ✓ **Introduced new paid time off policy** that provides Associates greater flexibility
- ✓ Implemented new retail and supply chain **training programs**
- ✓ **Improved key safety metric by 47%**

…Drives the Highest Quality Execution…

People

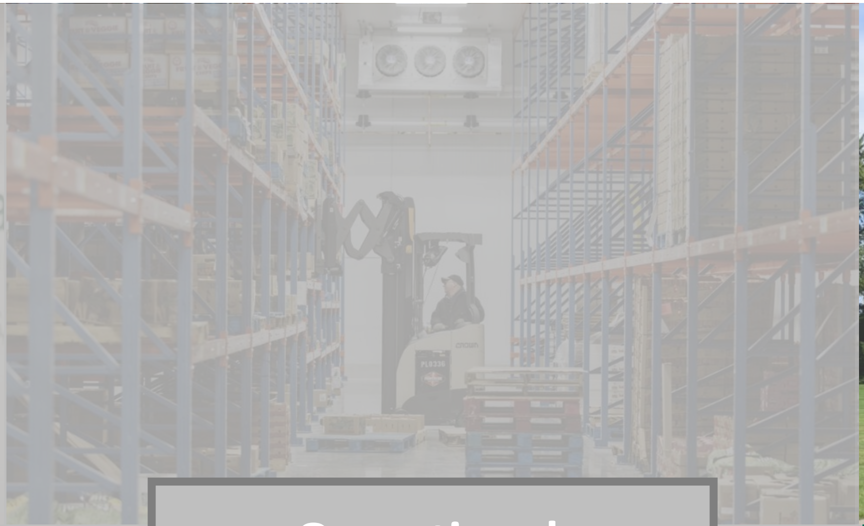
Operational Excellence



Insights That Drive Solutions

- ✓ Further optimized national network closing two redundant warehouses and opening a new distribution center representing the **most significant network optimization actions in many years**
- ✓ Agreement with Coastal Pacific Food Distributors to **expand distribution footprint on the West Coast** creating efficiencies while **reducing fleet mileage by 10%** and lowering overall emissions
- ✓ Portfolio of supply chain transformation actions on track to deliver **$15 to $30 Million in savings**

…Delivering Impactful Results



People

Operational Excellence

Insights That Drive Solutions

- ✓ Expand **customer profitability and services**
- ✓ Tailor retail assortment to **align with local community preferences** and continue to **enhance upmarket retail experience**
- ✓ Positioning military division for success through a variety of tactics, including **portfolio diversification**

Fiscal 2022 Guidance

Net Sales	Adjusted EBITDA	Adjusted EPS
$8.9 - $9.1 Billion	**$214 - $229 Million**	**$2.10 - $2.25**

Capital Expenditures and IT Capital

$100 - $110 Million

- Increased capital expenditures in connection with the Company's improvement initiatives to support business growth

Appendix

Fiscal 2022 Guidance Details

	Fiscal 2021	Fiscal 2022 Guidance	
	Actual	Low	High
Total net sales (millions)	$ 8,931	$ 8,900	$ 9,100
Adjusted EBITDA[1] (millions)	$ 214	$ 214	$ 229
Adjusted EPS(a)	$ 2.08	$ 2.10	$ 2.25
Capital expenditures and IT capital[2] (thousands)	$ 85,791	$ 100,000	$ 110,000
Depreciation and amortization (thousands)	$ 92,711	$ 90,000	$ 100,000
Interest expense (thousands)	$ 13,851	$ 15,000	$ 17,000
Income tax rate	25.2%	24.0%	25.5%

a) During the first quarter of fiscal 2022, the Company made the decision to revise the presentation of adjusted EPS to exclude the impact of LIFO expense (benefit). The Company believes that this change will better enable investors to establish a basis for expected performance and the ability to evaluate actual results against that expectation and the industry in which the Company operates. The adjustments for LIFO expense (benefit) will be made beginning with the first quarter fiscal 2022 financial statements. For comparability, references to prior period non-GAAP measures will be updated to show the effect of this change. In addition, both the fiscal year 2021 pro forma adjusted EPS and fiscal 2022 guidance are presented on a basis consistent with this change to provide comparability among fiscal years. For the fiscal 2021 pro forma adjusted EPS presented, LIFO expense of $0.38 was applied to fiscal 2021 adjusted EPS of $1.70[3] per share to arrive at $2.08 per share presented in the table for comparability.

The Company is unable to provide a full reconciliation of the GAAP to Non-GAAP Measures used in the fiscal 2022 outlook without unreasonable effort because it is not possible to predict certain of the adjustment items with a reasonable degree of certainty since they are not yet known or quantifiable. This information is dependent upon future events and may be outside of the Company's control and could have a significant impact on its GAAP financial results for fiscal 2022.

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(1) Refer to page 12 for a reconciliation of net earnings to adjusted EBITDA, a non-GAAP financial measure.
(2) Refer to page 13 for a reconciliation of purchases of property and equipment to capital expenditures and IT capital, a non-GAAP financial measure.
(3) Refer to page 14 for a reconciliation of net earnings to adjusted earnings from continuing operations, a non-GAAP financial measure.

Reconciliation of Adjusted EBITDA – Consolidated

Reconciliation of Net Earnings to Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (Adjusted EBITDA)

(A Non-GAAP Financial Measure)

(Unaudited)

	12, 13 and 12 Weeks Ended			52, 53 and 52 Weeks Ended		
(In thousands)	January 1, 2022	January 2, 2021	December 28, 2019	January 1, 2022	January 2, 2021	December 28, 2019
Net earnings	$ 22,245	$ 12,093	$ 5,424	$ 73,751	$ 75,914	$ 5,742
Earnings from discontinued operations, net of tax	—	—	49	—	—	175
Income tax expense	8,149	1,937	(369)	24,906	9,450	(2,342)
Other expenses, net	2,959	3,376	6,480	13,543	17,042	53,367
Operating earnings	33,353	17,406	11,584	112,200	102,406	56,942
Adjustments:						
LIFO expense (gain)	8,208	(982)	2,131	18,652	2,176	5,892
Depreciation and amortization	21,451	20,893	20,353	92,711	89,504	87,866
Acquisition and integration	427	179	73	708	421	1,437
Restructuring and asset impairment, net	(95)	3,943	2,835	2,886	24,398	13,050
Cloud computing amortization	612	186	—	2,140	297	—
Costs associated with Project One Team	—	—	—	—	493	5,428
Organizational realignment, net	—	455	—	589	455	1,812
Severance associated with cost reduction initiatives	46	33	—	423	5,154	—
Stock-based compensation	891	1,084	578	6,975	6,265	7,313
Stock warrant	480	6,549	—	1,958	6,549	—
Non-cash rent	(1,079)	(752)	(1,080)	(4,059)	(4,733)	(5,622)
Fresh Cut operating losses	—	—	—	—	2,262	—
Loss (gain) on disposal of assets	107	(132)	—	(106)	3,330	—
Expenses associated with tax planning strategies	—	—	—	—	82	—
Paid time off transition adjustment	(21,371)	—	—	(21,371)	—	—
Fresh Kitchen operating losses	—	—	690	—	—	2,894
Other non-cash charges	—	—	223	—	—	933
Adjusted EBITDA	43,030	48,862	37,387	213,706	239,059	177,945
53rd week	—	(4,246)	—	—	(4,246)	—
Adjusted EBITDA, excluding 53rd week	$ 43,030	$ 44,616	$ 37,387	$ 213,706	$ 234,813	$ 177,945

Reconciliation of Capital Expenditures and IT Capital

Reconciliation of Purchases of Property and Equipment to Capital Expenditures and IT Capital

(A Non-GAAP Financial Measure)

(Unaudited)

	52 and 53 Weeks Ended	
(In thousands)	**January 1, 2022**	**January 2, 2021**
Purchases of property and equipment	$ 79,427	$ 67,298
Plus:		
Cloud computing spend	6,364	11,634
Capital expenditures and IT capital	$ 85,791	$ 78,932

Notes: Capital expenditures and IT capital is a non-GAAP financial measure calculated by adding spending related to the development of cloud computing applications spend to capital expenditures, the most directly comparable GAAP measure. Cloud computing spend only includes costs incurred during the application development phase and does not include ongoing costs of hosting or maintenance associated with these applications, which are expensed as incurred. The Company believes it is a useful indicator of the Company's investment in its facilities and systems as it transitions to more cloud-based IT systems. Capital expenditures and IT capital is not a substitute for GAAP financial measures and may differ from similarly titled measures of other companies.

Reconciliation of Adj. Earnings from Continuing Operations

Reconciliation of Earnings from Continuing Operations to Adjusted Earnings from Continuing Operations

(A Non-GAAP Financial Measure)

(Unaudited)

a) The income tax effect on adjustments is computed by applying the effective tax rate, before discrete tax items, to the total adjustments for the period

b) Represents tax impacts attributable to the Coronavirus Aid, Relief and Economic Security ("CARES") Act, and related tax planning, primarily related to additional deductions and the utilization of net operating loss carrybacks

	52 and 53 Weeks Ended			
	January 1, 2022		January 2, 2021	
(In thousands, except per share amounts)	Earnings	per diluted share	Earnings	per diluted share
Net earnings	$ 73,751	$ 2.05	$ 75,914	$ 2.12
Adjustments:				
Acquisition and integration	708		421	
Restructuring and asset impairment, net	2,886		24,398	
Costs associated with Project One Team	—		493	
Organizational realignment, net	589		455	
Severance associated with cost reduction initiatives	423		5,154	
Fresh Cut operating losses	—		2,262	
Expenses associated with tax planning	—		82	
Paid time off transition adjustment	(21,371)		—	
Pension termination	—		(1,193)	
Total adjustments	(16,765)		32,072	
Income tax effect on adjustments (a)	4,056		(7,851)	
Impact of CARES Act (b)	—		(9,292)	
Total adjustments, net of taxes	(12,709)	(0.35)	14,929	0.41
Adjusted earnings from continuing operations	61,042	1.70	90,843	2.53
53rd week	—	—	(2,999)	(0.08)
Adjusted earnings from continuing operations, excluding 53rd week	$ 61,042	$ 1.70	$ 87,844	$ 2.45