

Non-GAAP Measures

The Company's presentations may include certain non-GAAP financial measures, such as its adjusted operating income, adjusted operating margin, adjusted diluted earnings per share ("Adjusted EPS"), return on invested capital ("ROIC") calculation and adjusted debt/EBITDAR ratio. This supplemental information should not be considered in isolation or as a substitute for the related GAAP measures. Our calculation of non-GAAP measures may not be comparable to similarly titled measures reported by other companies and other companies may not define these non-GAAP financial measures in the same way, which may limit their usefulness as comparative measures.

Adjusted Operating Income / Adjusted Operating Margin / Adjusted Diluted Earnings Per Share

When used in conjunction with our GAAP results, we believe these non-GAAP measures provide investors with meaningful supplemental measures of our performance period to period, make it easier for investors to compare our underlying business performance to peers, and align to how management analyzes trends and evaluates performance internally. We define adjusted operating income, adjusted operating margin and adjusted diluted earnings per share as follows:

Adjusted Operating Income (Page 2)

We define adjusted operating income as operating income for the period presented excluding the impact of amortization expense from acquired intangible assets. We do not adjust for the revenue that is generated in part from the use of our acquired intangible assets. Amortization expense, unlike the related revenue, is not affected by operations in any particular period unless an intangible asset becomes impaired, or the useful life of an intangible asset is revised.

Adjusted Operating Margin (Page 2)

We define adjusted operating margin as adjusted operating income for the period presented, divided by total net sales.

Adjusted Diluted Earnings Per Share (Page 3)

We define adjusted diluted earnings per share as net income for the period presented excluding the impact of amortization expense from acquired intangible assets and the related tax impact for the period, divided by total diluted weighted average shares outstanding.

Return on Invested Capital

We believe that ROIC is meaningful for management, investors and ratings agencies because it measures how effectively we deploy our capital base. ROIC is a profitability measure, not a measure of financial performance under GAAP. We define ROIC as follows:

Net Operating Profit After Tax (Page 4)

We define net operating profit after tax as operating income for the trailing twelve months less income taxes calculated using the effective tax rate for that period.

Average Debt and Equity (Page 4)

We define average debt and equity as the average of beginning and ending long-term debt (including current installments of long-term debt) and equity for the trailing twelve months.

Return on Invested Capital (Page 4)

We define ROIC as net operating profit after tax divided by average debt and equity.

Adjusted Debt/EBITDAR

We believe that adjusted debt/EBITDAR better enables management, investors and ratings agencies to understand and analyze our level of indebtedness in relation to our capital structure. Adjusted debt/EBITDAR is a liquidity measure, not a measure of financial performance under GAAP. We define adjusted debt/EBITDAR as follows:

Adjusted Debt (Page 5)

We define adjusted debt as long-term debt (including current installments of long-term debt), plus short-term debt, plus operating lease liabilities.

EBITDAR (Page 5)

We define EBITDAR as net earnings before interest and other, net, income taxes, depreciation and amortization, and operating rents calculated on a trailing twelve month basis.

Adjusted Debt/EBITDAR (Page 5)

We define adjusted debt/EBITDAR as adjusted debt divided by EBITDAR.

Adjusted Operating Income Reconciliation

<i>USD in millions</i>	Three Months Ended ⁽¹⁾			Fiscal Year Ended ⁽²⁾		
	February 1, 2026	February 2, 2025	% Change	February 1, 2026	February 2, 2025	% Change
Net sales	\$ 38,198	\$ 39,704	(3.8)%	\$ 164,683	\$ 159,514	3.2 %
Operating income (GAAP)	3,849	4,495	(14.4)%	20,890	21,526	(3.0)%
<i>Operating margin</i> ⁽³⁾	10.1 %	11.3 %		12.7 %	13.5 %	
Acquired intangible asset amortization ⁽⁴⁾	171	145		607	425	
Adjusted operating income (Non-GAAP)	\$ 4,020	\$ 4,640	(13.4)%	\$ 21,497	\$ 21,951	(2.1)%
<i>Adjusted operating margin (Non-GAAP)</i> ⁽⁵⁾	10.5 %	11.7 %		13.1 %	13.8 %	

(1) Three months ended February 1, 2026 and February 2, 2025 includes 13 weeks and 14 weeks, respectively

(2) Fiscal year ended February 1, 2026 and February 2, 2025 includes 52 and 53 weeks, respectively.

(3) Operating margin is calculated as operating income divided by total net sales.

(4) Amounts include acquired intangible asset amortization of \$118 million and \$398 million during the three and twelve months ended February 1, 2026, respectively, and \$93 million and \$218 million during the three and twelve months ended February 2, 2025, respectively, related to SRS Distribution Inc., and its subsidiaries.

(5) Adjusted operating margin is calculated as adjusted operating income divided by total net sales.

Adjusted Diluted EPS Reconciliation

USD in millions, except per share amounts	Three Months Ended ⁽¹⁾			Fiscal Year Ended ⁽²⁾		
	February 1, 2026	February 2, 2025	% Change	February 1, 2026	February 2, 2025	% Change
Diluted weighted average common shares	995	994	0.1 %	995	993	0.2 %
Diluted earnings per share (GAAP)	\$ 2.58	\$ 3.02	(14.6)%	\$ 14.23	\$ 14.91	(4.6)%
Impact of acquired intangible asset amortization	0.17	0.14		0.61	0.43	
Income tax impact of non-GAAP adjustment ⁽³⁾	(0.03)	(0.03)		(0.15)	(0.10)	
Adjusted diluted earnings per share (Non-GAAP)	\$ 2.72	\$ 3.13	(13.1)%	\$ 14.69	\$ 15.24	(3.6)%

(1) Three months ended February 1, 2026 and February 2, 2025 includes 13 and 14 weeks, respectively. The 14th week of the fourth quarter of fiscal 2024 increased adjusted diluted earnings per share by approximately \$0.30

(2) Fiscal year ended February 1, 2026 and February 2, 2025 includes 52 and 53 weeks, respectively. The 53rd week of fiscal 2024 increased adjusted diluted earnings per share by approximately \$0.30

(3) Calculated as the per share impact of acquired intangible asset amortization multiplied by our effective tax rate for the period.

Return on Invested Capital Calculation

<i>USD in millions</i>	Twelve Months Ended ⁽²⁾	
	February 1, 2026	February 2, 2025
Net earnings	\$ 14,156	\$ 14,806
Interest and other, net	2,288	2,120
Provision for income taxes	4,446	4,600
Operating income	\$ 20,890	\$ 21,526
Income tax adjustment ⁽¹⁾	(4,993)	(5,102)
Net operating profit after tax	\$ 15,897	\$ 16,424
Average debt and equity	\$ 61,914	\$ 52,431
ROIC	25.7%	31.3%

(1) *Income tax adjustment is defined as operating income multiplied by our effective tax rate for the trailing twelve months.*

(2) *The fourth quarter of fiscal 2024 includes 14 weeks. All other quarters include 13 weeks. Consistent with our consolidated financial statements, periods presented only include operating results for acquisitions since their respective acquisition dates.*

Adjusted Debt/EBITDAR Calculation

	Period Ended	
	February 1, 2026	February 2, 2025
<i>USD in millions</i>		
Long-term debt (including current installments of long-term debt)	\$ 51,308	\$ 53,067
Short-term debt	4,464	316
Total debt	\$ 55,772	\$ 53,383
Current operating lease liabilities	1,418	1,274
Long-term operating lease liabilities	8,160	7,633
Adjusted debt	\$ 65,350	\$ 62,290
	Twelve Months Ended ⁽²⁾	
	February 1, 2026	February 2, 2025
<i>USD in millions</i>		
Net earnings	\$ 14,156	\$ 14,806
Interest and other, net	2,288	2,120
Provision for income taxes	4,446	4,600
Depreciation and amortization ⁽¹⁾	4,059	3,708
Operating rents	1,846	1,661
EBITDAR	\$ 26,795	\$ 26,895
Adjusted debt/EBITDAR	2.4x	2.3x

(1) Includes depreciation and finance lease amortization included in cost of sales, and excludes debt issuance costs and other debt-related amortization which is included in interest and other, net above.

(2) The fourth quarter of fiscal 2024 includes 14 weeks. All other quarters include 13 weeks. Consistent with our consolidated financial statements, periods presented only include operating results for acquisitions since their respective acquisition dates.