

# 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		% Change
	May 3, 2026	May 4, 2025	
Net sales	\$ 41,765	\$ 39,856	4.8 %
Operating income (GAAP)	4,981	5,133	(3.0)%
<i>Operating margin</i> <sup>(1)</sup>	11.9 %	12.9 %	
Acquired intangible asset amortization <sup>(2)</sup>	171	139	
Adjusted operating income (Non-GAAP)	\$ 5,152	\$ 5,272	(2.3)%
<i>Adjusted operating margin (Non-GAAP)</i> <sup>(3)</sup>	12.3 %	13.2 %	

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

(2) Amounts include acquired intangible asset amortization of \$119 million and \$87 million during the three months ended May 3, 2026 and May 4, 2025, respectively, related to SRS Distribution Inc., and its subsidiaries.

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

# Adjusted Diluted EPS Reconciliation

<i>USD in millions, except per share amounts</i>	Three Months Ended		% Change
	May 3, 2026	May 4, 2025	
Diluted weighted average common shares	996	994	0.2 %
Diluted earnings per share (GAAP)	\$ 3.30	\$ 3.45	(4.3)%
Impact of acquired intangible asset amortization	0.17	0.14	
Income tax impact of non-GAAP adjustment <sup>(1)</sup>	(0.04)	(0.03)	
Adjusted diluted earnings per share (Non-GAAP)	\$ 3.43	\$ 3.56	(3.7)%

(1) 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 <sup>(2)</sup>	
	May 3, 2026	May 4, 2025
Net earnings	\$ 14,012	\$ 14,639
Interest and other, net	2,301	2,283
Provision for income taxes	4,425	4,658
Operating income	\$ 20,738	\$ 21,580
Income tax adjustment <sup>(1)</sup>	(5,003)	(5,151)
<b>Net operating profit after tax</b>	<b>\$ 15,735</b>	<b>\$ 16,429</b>
<b>Average debt and equity</b>	<b>\$ 62,032</b>	<b>\$ 52,413</b>
<b>ROIC</b>	<b>25.4%</b>	<b>31.3%</b>

(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	
	May 3, 2026	May 4, 2025
<i>USD in millions</i>		
Long-term debt (including current installments of long-term debt)	\$ 50,006	\$ 52,228
Short-term debt	3,503	38
Total debt	\$ 53,509	\$ 52,266
Current operating lease liabilities	1,484	1,311
Long-term operating lease liabilities	8,164	7,714
<b>Adjusted debt</b>	<b>\$ 63,157</b>	<b>\$ 61,291</b>
<b>Twelve Months Ended <sup>(2)</sup></b>		
	<b>May 3, 2026</b>	<b>May 4, 2025</b>
<i>USD in millions</i>		
Net earnings	\$ 14,012	\$ 14,639
Interest and other, net	2,301	2,283
Provision for income taxes	4,425	4,658
Depreciation and amortization <sup>(1)</sup>	4,147	3,860
Operating rents	1,897	1,729
<b>EBITDAR</b>	<b>\$ 26,782</b>	<b>\$ 27,169</b>
<b>Adjusted debt/EBITDAR</b>	<b>2.4x</b>	<b>2.3x</b>

(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.