



# UNFI Channel Reporting Update

The UNFI Difference



09/13/2017

# UNFI Channel Definition Update

## **Background**

During fiscal 2017, UNFI net sales by channel was adjusted to reflect changes in the classification of customer types from acquisitions we consummated in the third and fourth quarters of fiscal 2016 and the first quarter of fiscal 2017. This change had no impact on total UNFI sales but did impact channel sales for periods from Q3 of FY2016 to Q3 of FY2017. There were no changes to the definitions as listed below. The tables on the following pages reconcile the amounts previously reported to the current channel roll-ups.

## **Summary of Channel Definitions**

- Supernatural – Chain accounts that are national in scope and carry 90%+ natural products – currently consists solely of Whole Foods Market, Inc. (“WFM”);
- Independently owned natural products retailer – Single store and chain accounts (excluding only WFM) which carry more than 90% natural products and buying clubs of consumer groups joined to buy product;
- Supermarkets - Accounts that also carry conventional products. These include chain accounts, supermarket independents, and gourmet and ethnic specialty stores;
- Other – Includes food service, e-commerce and international customers outside of Canada.

# UNFI Channel Definition Update (continued)

Sales by Channel - FY 2016					
(in millions)	Adjusted	As Reported	Impact of Change	% of Net Sales	
<b>Q3 2016</b>					
Supernatural	\$ 762	\$ 762	\$ 0	0%	
Independently owned natural products retailers	585	594	(9)	0%	
Supermarkets	540	533	7	0%	
Other	245	243	2	0%	
<b>Total Q3 2016</b>	<b>2,132</b>	<b>2,132</b>	<b>-</b>	<b>-</b>	
<b>Q4 2016</b>					
Supernatural	\$ 721	\$ 721	\$ 0	0%	
Independently owned natural products retailers	590	616	(26)	-1%	
Supermarkets	645	623	22	1%	
Other	258	254	5	0%	
<b>Total Q4 2016</b>	<b>2,214</b>	<b>2,214</b>	<b>-</b>	<b>-</b>	
<b>Fiscal Year 2016</b>					
Supernatural	\$ 2,951	\$ 2,951	\$ 0	0%	
Independently owned natural products retailers	2,291	2,326	(35)	0%	
Supermarkets	2,288	2,259	29	0%	
Other	940	934	6	0%	
<b>Total Fiscal 2016</b>	<b>8,470</b>	<b>8,470</b>	<b>-</b>	<b>-</b>	

# UNFI Channel Definition Update (continued)

Sales by Channel - FY 2017					
(in millions)	Adjusted	As Reported	Impact of Change	% of Net Sales	
<b>Q1 2017</b>					
Supernatural	\$ 747	\$ 747	\$ -	0%	
Independently owned natural products retailers	600	622	(23)	-1%	
Supermarkets	672	652	20	1%	
Other	260	257	3	0%	
<b>Total Q1 2017</b>	<b>2,278</b>	<b>2,278</b>	<b>-</b>	<b>-</b>	
<b>Q2 2017</b>					
Supernatural	\$ 781	\$ 781	\$ -	0%	
Independently owned natural products retailers	586	604	(18)	-1%	
Supermarkets	684	666	18	1%	
Other	235	235	-	0%	
<b>Total Q2 2017</b>	<b>2,286</b>	<b>2,286</b>	<b>-</b>	<b>-</b>	
<b>Q3 2017</b>					
Supernatural	\$ 799	\$ 799	\$ -	0%	
Independently owned natural products retailers	625	637	(12)	0%	
Supermarkets	692	680	12	1%	
Other	254	254	-	0%	
<b>Total Q3 2017</b>	<b>2,370</b>	<b>2,370</b>	<b>-</b>	<b>-</b>	
<b>Fiscal Year 2017</b>					
Supernatural	\$ 3,097	\$ 3,096	\$ -	0%	
Independently owned natural products retailers	2,427	2,479	(52)	-1%	
Supermarkets	2,747	2,697	50	1%	
Other	1,004 *	1,002	2	0%	
<b>Total Fiscal 2017</b>	<b>9,274</b>	<b>9,274</b>	<b>-</b>	<b>-</b>	

\* - Reflects Rounding