

SPROUTS FARMERS MARKET

Investor Deck



February 2026

Forward-Looking Statements



Certain statements in this presentation are forward-looking as defined in the Private Securities Litigation Reform Act of 1995. Any statements contained herein that are not statements of historical fact (including, but not limited to, statements to the effect that Sprouts Farmers Market, Inc. (the "Company") or its management "anticipates," "plans," "estimates," "expects," or "believes," or the negative of these terms and other similar expressions) should be considered forward-looking statements, including, without limitation, statements regarding the Company's outlook, growth, opportunities and long-term strategy. These statements involve certain risks and uncertainties that may cause actual results to differ materially from expectations as of the date of this presentation. These risks and uncertainties include, without limitation, the Company's ability to execute on its long-term strategy; the Company's ability to successfully compete in its competitive industry; general economic conditions that impact consumer spending or result in competitive responses; the Company's ability to successfully open new stores; the Company's ability to manage its growth; the Company's ability to maintain or improve its operating margins; the Company's ability to identify and react to trends in consumer preferences; product supply disruptions; equipment supply disruptions; accounting standard changes; the current inflationary environment and future potential inflationary and/or deflationary trends; tariffs; and other factors as set forth from time to time in the Company's Securities and Exchange Commission filings, including, without limitation, the Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. The Company intends these forward-looking statements to speak only as of the time of this presentation and does not undertake to update or revise them as more information becomes available, except as required by law.

Non-GAAP Financial Measures

We refer to adjusted gross profit, adjusted gross margin, EBIT, adjusted EBIT, adjusted EBIT Margin, and adjusted diluted earnings per share, each of which is a Non-GAAP Financial Measure. These measures are not prepared in accordance with, and are not intended as alternatives to, generally accepted accounting principles in the United States, or GAAP. The Company's management believes that such measures provide useful information to management, analysts and investors regarding certain additional financial and business trends relating to its results of operations and financial condition. In addition, management uses these measures for reviewing the Company's financial results, and certain of these measures may be used as components of incentive compensation.

The Company defines adjusted gross profit as gross profit, excluding the impact of special items. Adjusted gross margin reflects adjusted gross profit divided by net sales for the applicable period. EBIT is defined as net income before interest expense and provision for income tax, and adjusted EBIT as EBIT, excluding the impact of special items. Adjusted EBIT Margin reflects adjusted EBIT, divided by net sales for the applicable period. The Company defines adjusted diluted earnings per share as diluted earnings per share excluding the impact of special items.

Non-GAAP measures are intended to provide additional information only and do not have any standard meanings prescribed by GAAP. Use of these terms may differ from similar measures reported by other companies. Because of their limitations, non-GAAP measures should not be considered as a measure of discretionary cash available to use to reinvest in the growth of the Company's business, or as a measure of cash that will be available to meet the Company's obligations. Each non-GAAP measure has its limitations as an analytical tool, and you should not consider them in isolation or as a substitute for analysis of the Company's results as reported under GAAP. To the extent forward looking non-GAAP financial measures are provided herein, they are not reconciled to comparable forward-looking GAAP measures due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliation.

Unless otherwise indicated, information included in this presentation is as of our 2025 fiscal year ended December 28, 2025.

OUR PURPOSE

We help People Live and Eat Better



Sprouts' Long-Term Strategy

Four Strategic Pillars Driving Sustainable Growth



WIN WITH TARGET CUSTOMERS

- High quality attribute-led assortment
- Innovation leader
- Service-driven store experience
- Omni-channel experience



DEEPEN CUSTOMER ENGAGEMENT & PERSONALIZATION

- Deep understanding of target customers
- Create value via personalization & loyalty
- Grow awareness & acquisition



EXPAND STORE & MARKET FOOTPRINT

- New stores, new markets
- Small box, de-risked new store format
- Accelerated new store performance



BUILD AN ADVANTAGED SUPPLY CHAIN

- Own and improve fresh distribution
- Network expansion & efficiency
- Increase local sourcing



Sprouts Long-Term Strategy Delivers Key Financial Metrics

Sales
Growth

Earnings
Growth

Store
Expansion

Strong
ROIC

Why Invest in Sprouts?

- Huge potential with health & wellness
- Powerful growth opportunity
- Healthy financials
- Differentiated experience
- Strong leadership with values-driven culture



Why Invest in Sprouts Farmers Market?

A differentiated, powerful growth business

No.

1

Powerful Growth Opportunity

Plenty of white space

Advantaged supply chain

No.

2

Healthy Financials

Structurally improved margins

Strong ROIC

Robust cash flow

Strong box economics

No.

3

Differentiated Experience; Health & Wellness Focus

Innovation via foraging

Attribute-driven products, high quality Sprouts Brand

Best-in-class customer service, easy to shop

Engagement Opportunity

No.

4

Strong Leadership with Values-Driven Culture

Experienced executive team

Talent engine

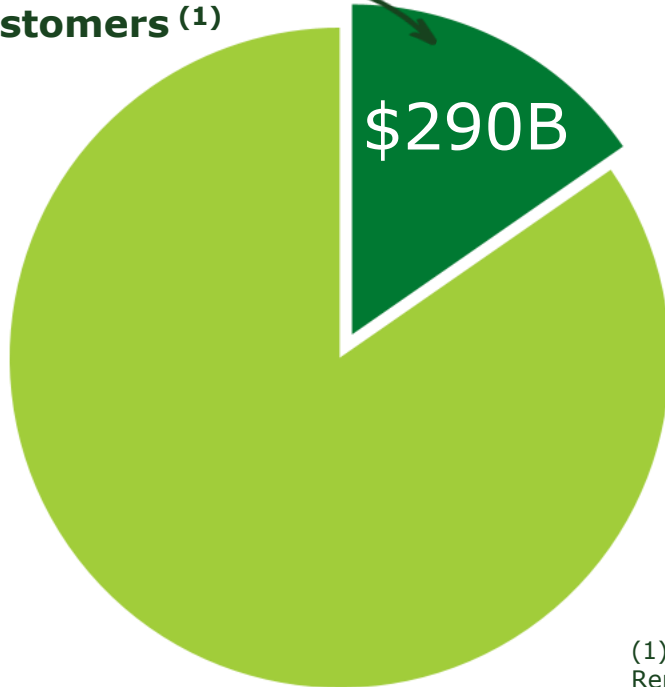
Commitment to community & planet

Huge Potential With Health & Wellness Target Customer



CONSUMERS SPEND \$1.6T ON FOOD AT HOME ⁽¹⁾

Sprouts' Target Customers ⁽¹⁾



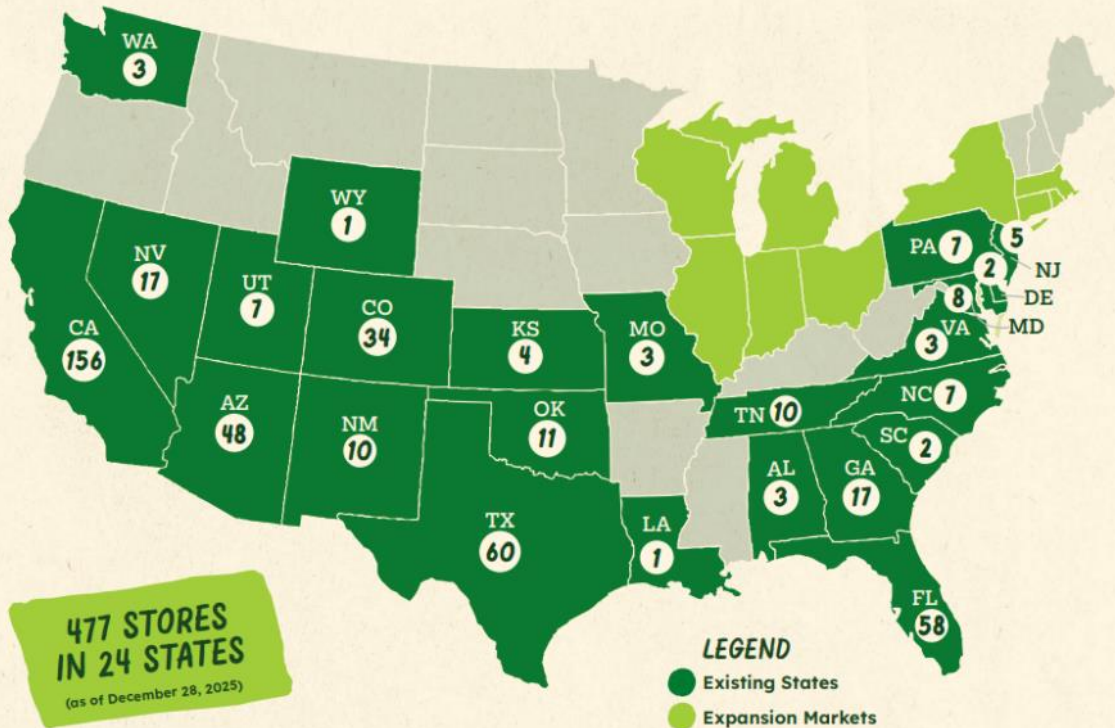
- **Focus on natural and organic** products (vs. CPG), a fast-growing channel of food at home
- Huge opportunity to **grow** target customer **share of wallet**
- Tailored marketing highlighting **health and affordability**
- **Innovation center** with latest healthy trends
- Revamped **site selection** model finding optimal locations for target customer convenience

(1) Source 2019-2024 Consumer Research; Kantar IQ; Willard Bishop Food Retailing Reports; PG100 Reports; Euromonitor

Powerful Growth Opportunity

Plenty of white space, potential for 1000+ stores

EXPLORE FRESH FINDS FROM COAST TO COAST



Powerful Growth Opportunity

Build an Advantaged fresh supply chain

Distribution Centers (DCs) within 250 miles of the majority of stores

Consolidate sourcing for improved Self-distribution of fresh meat - improved freshness & cost effectiveness

Locally sourced: Partnerships with **170** local farmers; **17%** of total produce sales

Efficiency: **80%** of stores within 250 miles of DC

Investing in **forecasting & replenishment systems** to scale & grow

Network Expansion: Exploring DC locations in Southeast, MidAtlantic & Midwest

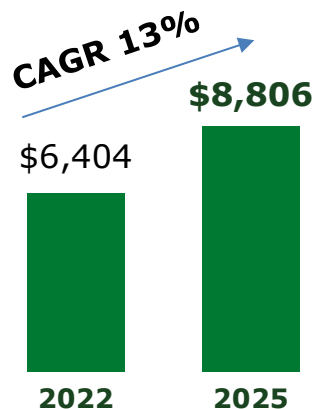
Healthy Financials

Stronger Foundation: Strategic Initiatives Taking Hold⁽¹⁾

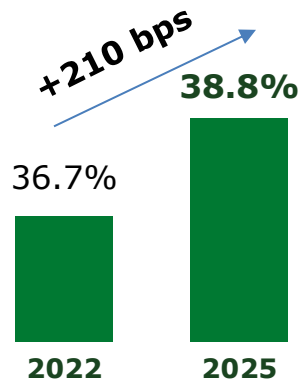


NET SALES GROWTH

(\$ in mm)

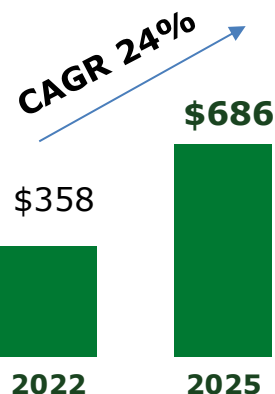


GROSS MARGIN

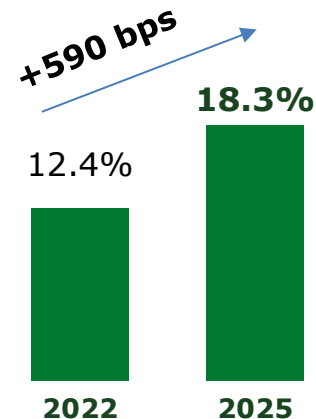


EBIT & EBIT MARGIN

(\$ in mm)



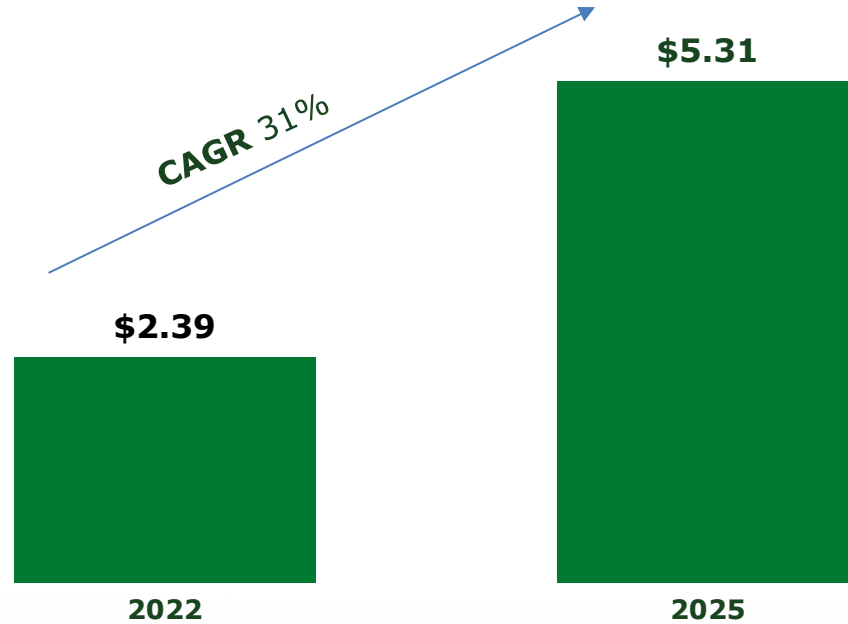
ROIC



⁽¹⁾ See the Appendix to this presentation for a reconciliation of EBIT to net income and a reconciliation of ROIC to net income. ROIC is a non-GAAP measure defined as net operation profit after taxes divided by average invested capital

Healthy Financials

Diluted Earnings per Share Growing

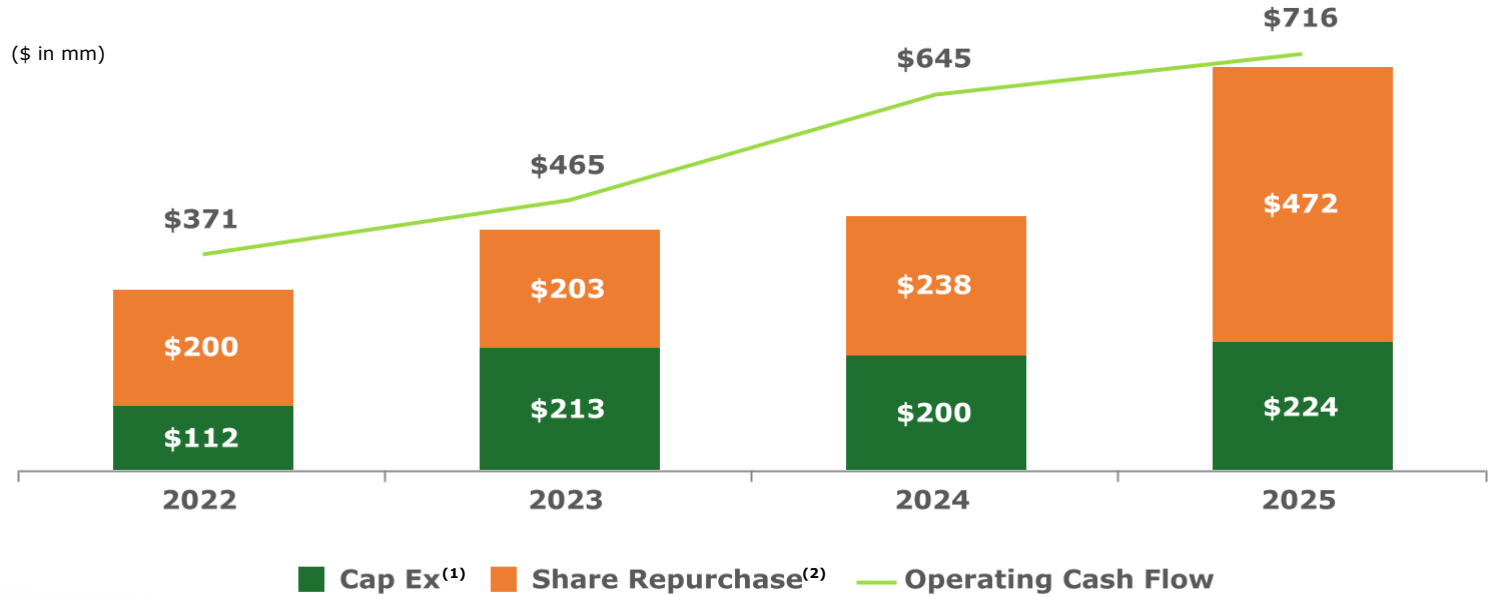


Healthy Financials



Strong Balance Sheet, Robust Cash Flows

Self-fund growth and deliver shareholder value with ongoing share repurchases



1. Capital expenditures are net of landlord reimbursement
2. Excluding excise tax

Healthy Financials

Strong four wall target box economics⁽¹⁾; Robust new store performance



SALES

- Box opens on average at \$13M in year 1 annual sales
- Grows 20% to 25% over next the next 4 years

EBITDA MARGINS

- Break even year 1
- Grows to a blended ~8% EBITDA Margins over the next 4 years

CASH INVESTMENT

- \$3.8M average new store build including CapEx, Inventory and Pre-opening expenses

CASH ON CASH RETURN

- Low to mid thirties by year 5

1. These are targets and not projections; they are subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Company and its management, and are based on assumptions with respect to future decisions, which may be subject to change. Actual results may vary and the variances may be material. Nothing in this presentation should be regarded as a representation that these targets will be achieved and the Company undertakes no duty to update its targets. See "Forward-Looking Statements."



Healthy Financials: Long-term Strategic Financial Targets⁽¹⁾



**~10%-unit
growth⁽²⁾**



**Attractive
New Store
Economics**



**Low single
digit comps**



**Stable EBIT
Margins off a
Higher Base**

Low double-digit earnings growth and strong ROIC

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⁽²⁾ Expect to open 40+ stores in 2026



HEALTHY FINANCIALS

Low Single-digit Comps Targets & Stable EBIT Margins⁽¹⁾



KEY COMP DRIVERS

- Tailored marketing
- Innovative, differentiated products
- Omnichannel offering
- Customer engagement
- New store comp tailwind – partially offset by cannibalization

MARGIN STABILITY

- + Supply chain optimization
- + Inventory Management
- + Fixed cost leverage as we scale
- + Labor productivity and cost management
- Headwinds from ecommerce and new store growth

⁽¹⁾ These are targets and not projections; they are subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Company and its management, and are based on assumptions with respect to future decisions, which may be subject to change. Actual results may vary and the variances may be material. Nothing in this presentation should be regarded as a representation that these targets will be achieved and the Company undertakes no duty to update its targets. See "Forward-Looking Statements." See the Appendix to this presentation for a reconciliation of EBIT margin to the comparable GAAP figure.

Differentiated Store Experience



**Farmer's market
feel: small size,
low profile**

**Knowledgeable
& friendly team
members**

**Produce at the
heart of the
store**

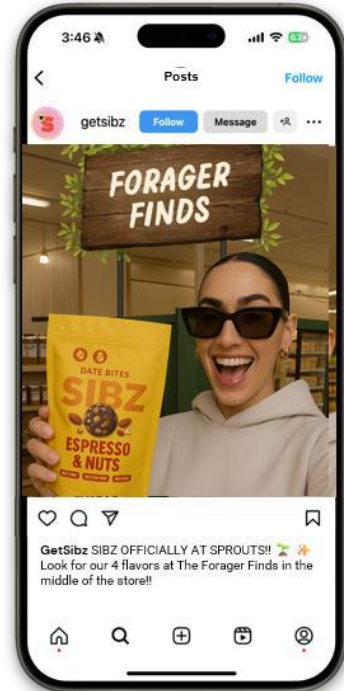
**Increasingly
locally sourced
fresh produce**

**Intersection of
health and
affordability**

Differentiated Experience

Innovation via foraging

- >7,000 new items introduced in 2025
- Foraging Finds showcases new items monthly



FROM THE BRAND



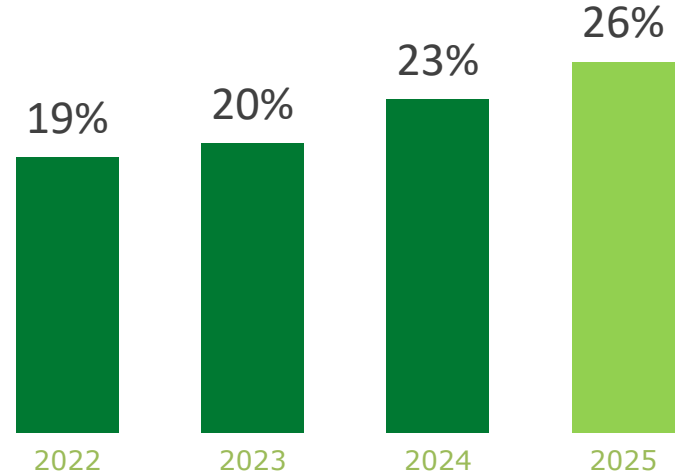


Differentiated Offering

High quality Sprouts Brand: Over \$2B In Sales



Sprouts Brand Sales Penetration⁽¹⁾



- **\$2.3B** in sales of Sprouts Brand Products in 2025: **up +33%** from \$1.7B in 2024
- **>600** Sprouts Brand products launched in 2025

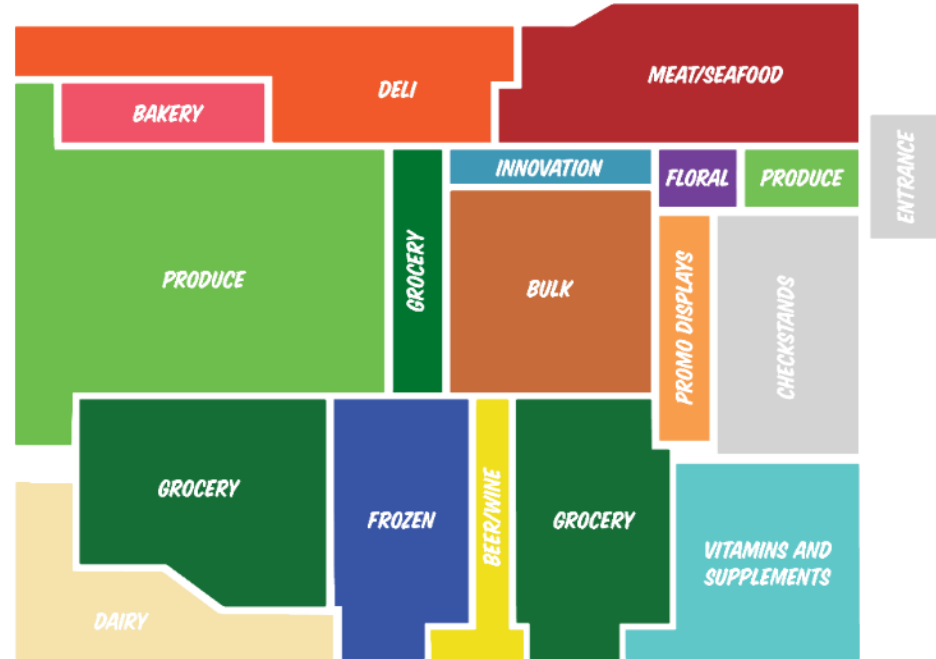
⁽¹⁾ Sprouts Brand Sales Penetration represents sales of Sprouts Brand products, as a percentage of total company sales.

Differentiated Experience: >70% of products sold are attribute-driven



Department Highlights:

- >**30%** of products sold are organic
- >**50%** of Produce is organic
- >**50%** of Dairy is organic
- >**30%** of Bakery is non-GMO
- >**21%** of Meat is grass-fed; 50% of beef is grass-fed
- **100%** of Seafood is responsibly-sourced
- >**50%** of Frozen is gluten-free



Health & Wellness Focus: Target Customer

Demographics: Consumer who craves health & wellness



- Stronger interest in **organics**, fresh, less processed foods, **sustainability**
- Seeks high quality, **lifestyle-friendly products, & differentiated assortment**; pays greater attention to labels
- **Willing to make more of an effort** (to drive farther or to make an additional trip) to get the items that meet their needs & standards
- Slightly **higher educated**
- **Skews higher income**
- Continue to attract **younger** customers
- **>15%** sales penetration from Ecommerce: Majority of ecommerce customers are **omnichannel** with higher share of wallet



Health & Wellness Focus: Opportunity for Further Engagement



- **Healthy sign-ups: fast adoption of loyalty program**
- Customers **love shopping at Sprouts** - they have unique needs and want differentiated products
- Gathering more data allows us to **better understand and serve our target customers:**
 - Personalized experience
 - Product recommendation (hyper relevant)
 - Creates long-term customer stickiness
- Sprouts Rewards members **come more often and spend more**
- **~55% of total sales from ID customers by end of 2025**



Strong Leadership with Values-Driven Culture

Executive Management Team with Leading Grocery & Retail Experience



Jack Sinclair
Chief Executive Officer
since 2019



Curtis Valentine
Chief Financial Officer
since 2024 (joined SFM in 2015)



Nick Konat
President & Chief Operating Officer
since 2022



Amanda Rassi
Chief Customer Officer
since 2026



Dave McGlinchey
Chief Development Officer
since 2022 (joined SFM in 2017)



Don Clark
Chief Merchandising Officer
since 2026



Dustin Hamilton
Chief Stores Officer
since 2023 (joined SFM in 2021)



Kim Coffin
Chief Forager
since 2022 (joined SFM in 2012)



Brandon Lombardi
Chief Legal Officer & Chief Sustainability Officer
since 2012



Joe Hurley
Chief Supply Chain Officer
since 2023 (joined SFM in 2019)



Timmi Zalatoris
Chief Human Resources Officer
since 2023 (joined SFM in 2017)



James Bahrenburg
Chief Technology Officer
since 2023



Creating a Talent Engine to Support our Growth



In 2025:

- **3,700** New jobs created
- **68,735** Leadership training hours delivered
- **>\$21/hr** Average pay rate for store team members
- **~60%** Store Manager positions filled with internal candidates



Three Simple Values at the Heart of our Strong Culture



WE CARE



**WE LOVE BEING
DIFFERENT**



WE OWN IT



- **\$31M** in bonuses paid to field team members
- **\$26M** in savings for team members with store discount

Values-Driven Culture

Commitment to Community & Planet at Sprouts in 2025



- **36 million** pounds of food donated—providing an estimated **30 million** meals
- **60%** of sales of products with a social or environmental attribute
- **>30%** of total sales from Organic products; **>50%** of total fresh produce sales are organic
- **Completed** the transition to LED lighting across our store fleet
- Finalized the transition to group-housed pork in our meat department
- Released a formal Pollinator Health commitment

Sprouts Healthy Communities Foundation:

- **>\$3.3 million** invested in hyper-local grants to 550 nonprofit organizations and schools focused on school garden education and health and wellness programs
- **\$10 million** in high-impact capacity grants to empower nonprofit organizations to expand program operations

We Help People Live and Eat Better



Sprouts delivers a unique farmers market experience: bringing together passionate, knowledgeable team members, and the best assortment of high-quality food



APPENDIX



Appendix



The following table shows a reconciliation of EBIT to net income for the fiscal years ended December 28, 2025 and January 1, 2023

SPROUTS FARMERS MARKET, INC. AND SUBSIDIARIES
NON-GAAP MEASURE RECONCILIATION
(UNAUDITED)
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

Net Income
Income tax provision
Interest (income) expense, net
Earnings before interest and taxes (EBIT)
EBIT Margin

	Fifty-Two Weeks ended		Fifty-Two Weeks ended
	Dec 28, 2025		Jan 1, 2023
\$	523,670	\$	261,164
	165,114		88,149
	(2,626)		9,047
	<u>686,158</u>		<u>358,360</u>
	7.8 %		5.6 %

APPENDIX



The following table shows a reconciliation of ROIC to net income for the Company's 2025 and 2022 fiscal years

Sprouts Farmers Market, Inc. and Subsidiaries **Non-GAAP Measure Reconciliation** **(In thousands)** **(Unaudited)**

	<u>2025</u>	<u>2022</u>
Net income ⁽¹⁾	\$ 523.7	\$ 261.2
Interest expense, net of tax ⁽²⁾	<u>\$ (2.0)</u>	<u>\$ 6.8</u>
Net operating profit after tax (NOPAT)	<u>\$ 521.7</u>	<u>\$ 267.9</u>
Total rent expense, net of tax ⁽²⁾	\$ 208.4	\$ 154.6
Estimated depreciation on operating leases, net of tax ⁽²⁾	<u>\$ 114.9</u>	<u>\$ (87.8)</u>
Estimated interest on operating leases, net of tax ^(2,3)	<u>\$ 93.6</u>	<u>\$ 66.9</u>
NOPAT, including effect of operating leases	<u>\$ 615.3</u>	<u>\$ 334.8</u>
Average working capital	\$ 148.3	\$ 271.6
Average property and equipment	\$ 958.4	\$ 704.8
Average other assets	\$ 607.2	\$ 568.6
Average other liabilities	<u>\$ (114.1)</u>	<u>\$ (96.6)</u>
Average invested capital	<u>\$ 1,599.7</u>	<u>\$ 1,448.4</u>
Average operating leases ⁽⁴⁾	<u>\$ 1,758.6</u>	<u>\$ 1,259.4</u>
Average invested capital, including operating leases	<u>\$ 3,358.3</u>	<u>\$ 2,707.8</u>
ROIC, including operating leases	<u>18.3%</u>	<u>12.4%</u>

⁽¹⁾ Net income amounts represent total net income for the past four trailing quarters.

⁽²⁾ Net of tax amounts are calculated using the normalized effective tax rate for the period presented.

⁽³⁾ 2025 & 2022 estimated interest on operating leases is calculated by multiplying operating leases by a 7.0% & 7.1% discount rate, respectively, for each lease recorded as rent expense within direct store expense.

⁽⁴⁾ 2025 & 2022 average operating leases represents the average net present value of outstanding lease obligations over the past four trailing quarters.

THANK YOU!

