

Sprouts Farmers Market

Q3 2026 Earnings



October 28, 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 or its management "anticipates," "plans," "estimates," "expects," "will," "believes," or "projects," 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; 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 in a timely manner; product supply disruptions; equipment supply disruptions; general economic conditions that impact consumer spending or result in competitive responses; accounting standard changes; 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, adjusted diluted earnings per share and Return on Invested Capital ("ROIC"), 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 (income) expense, net 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. The Company defines ROIC as net operating profit after taxes ("NOPAT"), including the effect of capitalized operating leases, divided by average invested capital.

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.

Sprouts'
customers are
Drawn to our
Innovation &
Differentiation



Third Quarter 2026 Highlights



Net Sales	+5%
Comps ⁽¹⁾	(0.9)%
New Store Openings ⁽²⁾	15
Diluted EPS	\$1.21
EPS Growth ⁽³⁾	(1)%
Cash Generation	\$186M
Share Repurchases ⁽⁴⁾	\$89M



1. Comparable Store Sales
2. Also closed one underperforming store at lease expiration
3. Reflects comparison of Q3 26 diluted EPS to Q3 25 diluted EPS
4. Excluding excise tax

YTD 2026 Highlights

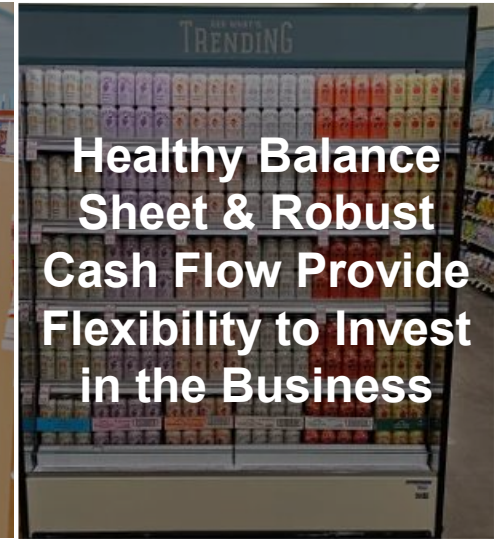
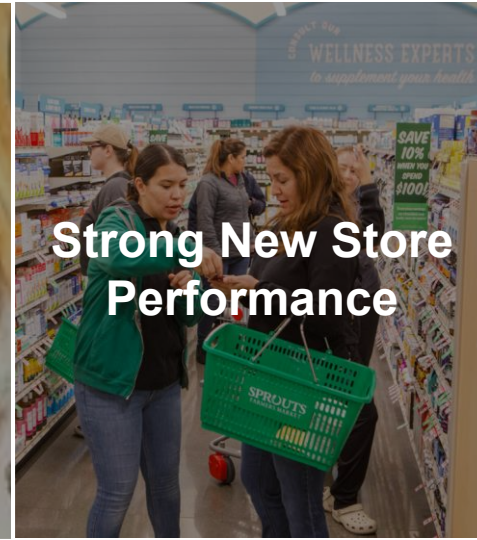
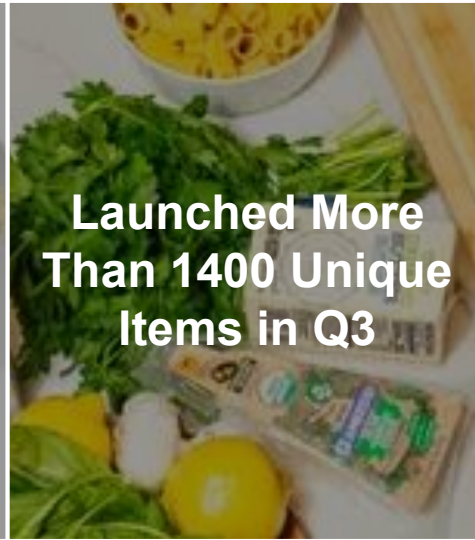
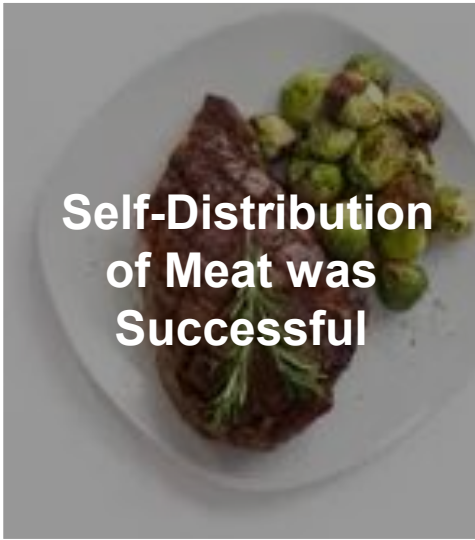
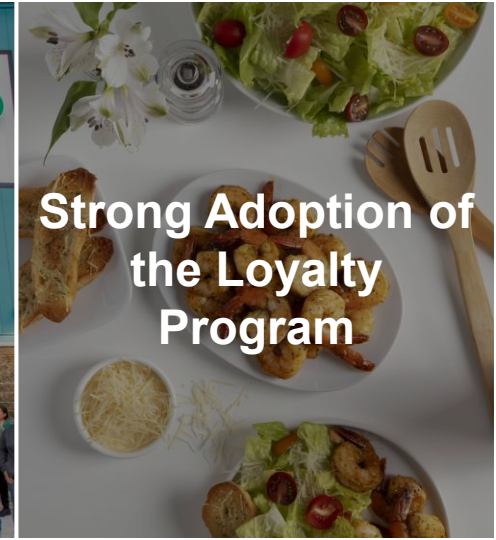


Net Sales	+5%
Comps ⁽¹⁾	(1.2)%
New Store Openings ⁽²⁾	28
Diluted EPS	\$4.30
EPS Growth ⁽³⁾	(2)%
Cash Generation	\$555M
Share Repurchases ⁽⁴⁾	\$299M



1. Comparable Store Sales
2. Also closed one underperforming store at lease expiration
3. Reflects comparison of YTD Q3 26 diluted EPS to YTD Q3 25 diluted EPS
4. Excluding excise tax

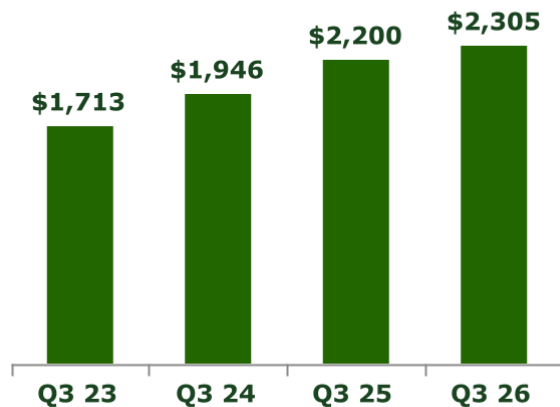
Initiatives Remain on Track in 2026



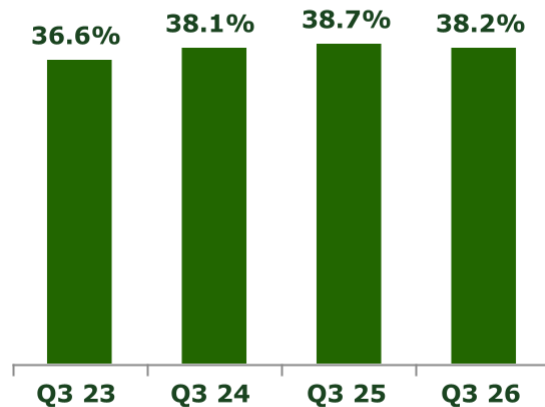


NET SALES

(\$ in mm)

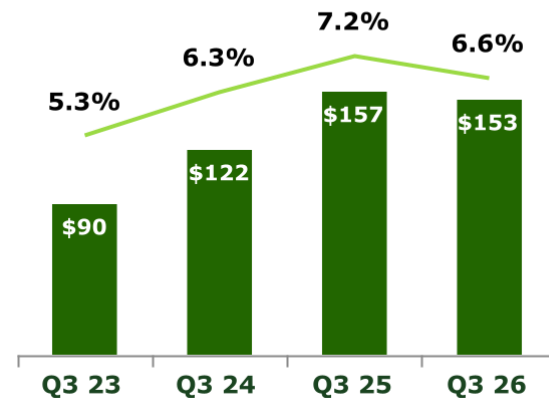


GROSS MARGIN ⁽¹⁾



EBIT & EBIT MARGIN ⁽²⁾

(\$ in mm)



⁽¹⁾ Q3 23 gross margin is presented on an adjusted basis. See the Appendix to this presentation for a reconciliation of gross margin to adjusted gross margin.

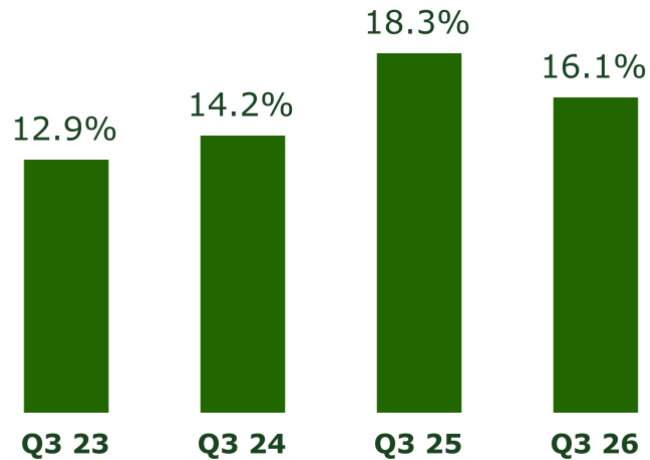
⁽²⁾ Q3 23 EBIT and EBIT margin are presented on an adjusted basis. See the Appendix to this presentation for a reconciliation of EBIT and EBIT margin to adjusted EBIT and adjusted EBIT margin.



Diluted Earnings Per Share⁽¹⁾



ROIC⁽²⁾



⁽¹⁾ Q3 23 diluted earnings per share is presented on an adjusted basis. See the Appendix to this presentation for a reconciliation of diluted earnings per share to adjusted diluted earnings per share.

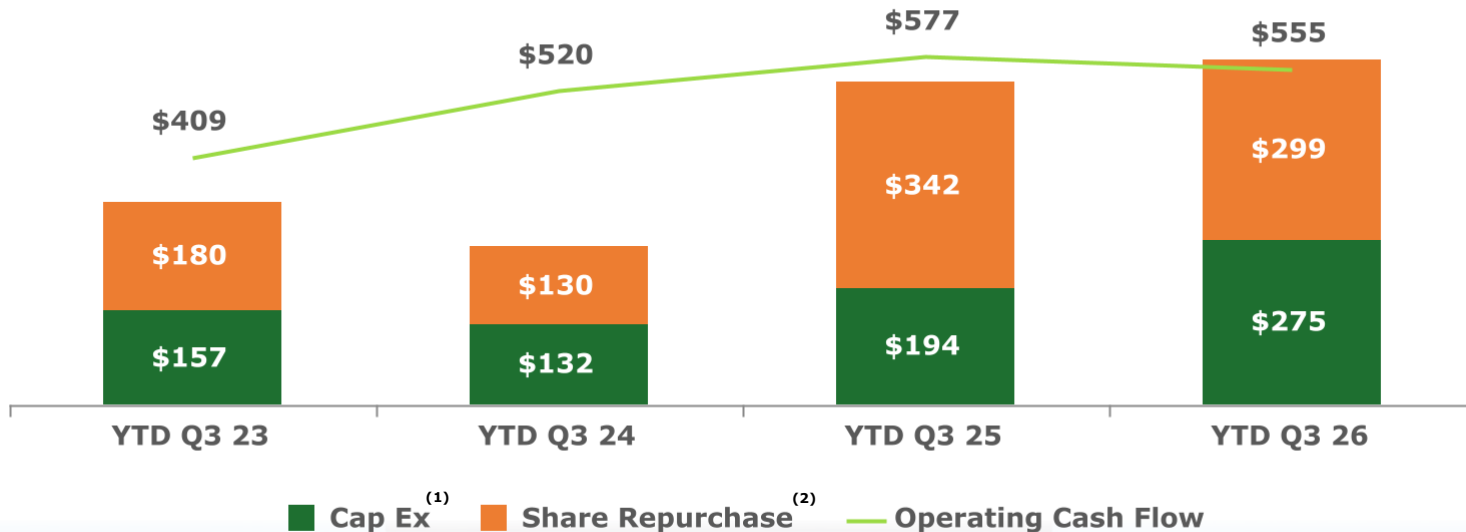
⁽²⁾ See the Appendix to this presentation for a reconciliation of ROIC to net income.

Strong Balance Sheet, Robust Cash Flows

Self Fund our Growth and Deliver Shareholder Value Through Ongoing Share Repurchases



(\$ in mm)



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



Full-Year 2026 Outlook

(on a 52 week basis)⁽¹⁾



Net sales growth of ~4.3%

Comp sales of ~(1.7)%

Expect to open 42 net new stores

Earnings before interest & taxes (EBIT) ~\$605 million

Diluted earnings per share (EPS) ~\$4.80

Capex (net of landlord reimbursement) ~\$310 million

Fourth Quarter 2026 (on a 13-week basis): Comp sales of (2.0)% to (4.0)% and diluted EPS \$0.47 to \$0.51

⁽¹⁾The Company notes the fiscal year 2026 will be a 53-week year, with the extra week falling in the fourth quarter. We estimate the impact from the 53rd week to be approximately \$190 million in sales, \$20 million in income before interest and taxes, and \$0.16 in diluted earnings per share.

Appendix



Appendix



The following table shows a reconciliation of EBIT and adjusted EBIT to net income, adjusted EBIT margin to EBIT margin, as well as a reconciliation of adjusted net income and adjusted diluted earnings per share to net income and diluted earnings per share for the thirteen weeks ended September 27, 2026, September 28, 2025, September 29, 2024 and October 1, 2023.

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

	Thirteen Weeks Ended Sep 27, 2026	Thirteen Weeks Ended Sep 28, 2025	Thirteen Weeks Ended Sep 29, 2024	Thirteen Weeks Ended Oct 1, 2023
Net Sales	\$ 2,304,720	\$ 2,200,430	\$ 1,945,735	\$ 1,713,282
Gross Profit	\$ 880,794	\$ 851,051	\$ 740,923	\$ 625,434
Special Items	—	—	—	1,302 ⁽¹⁾
Adjusted gross profit	880,794	851,051	740,923	626,736
Gross margin	38.2 %	38.7 %	38.1 %	36.5 %
Adjusted gross margin	38.2 %	38.7 %	38.1 %	36.6 %
Net Income	\$ 113,421	\$ 120,116	\$ 91,610	\$ 65,313
Income tax provision	37,945	37,972	31,902	20,644
Interest (income) expense, net	1,419	(690)	(1,061)	1,698
Earnings before interest and taxes (EBIT)	152,785	157,398	122,451	87,655
Special Items	—	—	—	2,392 ⁽²⁾
Adjusted EBIT	\$ 152,785	\$ 157,398	\$ 122,451	\$ 90,047
EBIT Margin	6.6 %	7.2 %	6.3 %	5.1 %
Adjusted EBIT Margin	6.6 %	7.2 %	6.3 %	5.3 %
Net Income	\$ 113,421	\$ 120,116	\$ 91,610	\$ 65,313
Special Items, net of tax	—	—	—	1,780 ⁽²⁾
Adjusted Net income	\$ 113,421	\$ 120,116	\$ 91,610	\$ 67,093
Diluted EPS	\$ 1.21	\$ 1.22	\$ 0.91	\$ 0.64
Adjusted Diluted EPS	\$ 1.21	\$ 1.22	\$ 0.91	\$ 0.65
Diluted Weighted Average Shares Outstanding	93,666	98,715	101,025	102,703

(1) For the thirteen weeks ended October 1, 2023, special items included approximately \$1 million in cost of sales related to store closures and our supply chain transition.

(2) For the thirteen weeks ended October 1, 2023, special items included approximately \$1 million in selling, general and administrative expenses primarily related to store closures and \$1 million in cost of sales related to our supply chain transition. After-tax impact includes the tax benefit on the pre-tax charge.



The following table shows a reconciliation of ROIC to net income for the Company's third quarter of 2026, 2025, 2024 and 2023.

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

	Q3 26	Q3 25	Q3 24	Q3 23
Net income ⁽¹⁾	\$ 496.2	\$ 513.5	\$ 351.1	\$ 253.9
Special Items, net of tax ^(2,3)	\$ -	\$ -	\$ -	\$ 34.3
Interest expense, net of tax ⁽³⁾	\$ 0.6	\$ (3.0)	\$ 0.0	\$ 5.6
Net operating profit after tax (NOPAT)	\$ 496.8	\$ 510.5	\$ 351.1	\$ 293.8
Total rent expense, net of tax ⁽³⁾	\$ 223.0	\$ 204.2	\$ 188.6	\$ 168.2
Estimated depreciation on operating leases, net of tax ⁽³⁾	\$ (121.4)	\$ (112.7)	\$ (103.8)	\$ (94.7)
Estimated interest on operating leases, net of tax ^(3,4)	\$ 101.7	\$ 91.6	\$ 84.8	\$ 73.5
NOPAT, including effect of operating leases	\$ 598.4	\$ 602.1	\$ 435.9	\$ 367.3
Average working capital	\$ 159.6	\$ 165.8	\$ 192.9	\$ 252.0
Average property and equipment	\$ 1,126.9	\$ 911.6	\$ 813.7	\$ 728.7
Average other assets	\$ 611.8	\$ 605.7	\$ 602.9	\$ 589.1
Average other liabilities	\$ (123.2)	\$ (110.1)	\$ (98.7)	\$ (97.6)
Average invested capital	\$ 1,775.1	\$ 1,573.0	\$ 1,510.8	\$ 1,472.2
Average operating leases ⁽⁵⁾	\$ 1,944.0	\$ 1,715.6	\$ 1,567.9	\$ 1,368.6
Average invested capital, including operating leases	\$ 3,719.0	\$ 3,288.6	\$ 3,078.7	\$ 2,840.7
ROIC, including operating leases	16.1%	18.3%	14.2%	12.9%

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

⁽²⁾ Special items related to store closure, supply chain, and acquisition related charges net of tax.

⁽³⁾ Net of tax amounts are calculated using the normalized effective tax rate for the period presented.

⁽⁴⁾ 2026, 2025, 2024 & 2023 estimated interest on operating leases is calculated by multiplying operating leases by a 7.0%, 7.0%, 7.2% and 7.1% discount rate, respectively, for each lease recorded as rent expense within direct store expense.

⁽⁵⁾ Average operating leases represents the average net present value of outstanding lease obligations over the past four trailing quarters.

THANK YOU!

