**Exhibit 99.1**

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**Sprouts Farmers Market, Inc. Reports Third Quarter 2023 Results**

**PHOENIX, Ariz. – (Business Wire) – October 31, 2023** – Sprouts Farmers Market, Inc. (Nasdaq: SFM) today reported results for the 13-week third quarter ended October 1, 2023.

"We are pleased to report another solid quarter at Sprouts, with continued increases in both traffic and comparable store sales," said Jack Sinclair, chief executive officer of Sprouts Farmers Market. "Our results signal the alignment of our 31,000 team members across merchandising, marketing, supply chain, and operational initiatives-- propelling our strategy forward."

**Third Quarter Highlights:**

- **Net sales** totaled $1.7 billion; a 7.6% increase from the same period in 2022
- **Comparable store sales** growth of 3.9%
- **Diluted earnings per share** of $0.64; **Adjusted diluted earnings per share** of $0.65[(1)]; compared to diluted earnings per share of $0.61 in the same period in 2022.
- **Opened 10 new stores,** resulting in **401 stores in 23 states** as of October 1, 2023

[(1)] Adjusted diluted earnings per share, a non-GAAP financial measure, excludes the impact of certain special items. See the “Non-GAAP Financial Measures” section of this release for additional information about this item.

**Leverage and Liquidity in Third Quarter 2023**

- Ended the quarter with $252 million in **cash and cash equivalents** and a $150 million balance on its $700 million revolving credit facility
- **Repurchased 831 thousand shares of common stock** for a total investment of $32 million
- Generated **cash from operations** of $409 million and invested $157 million in **capital expenditures,** net of landlord reimbursement, year-to-date thru October 1, 2023

**Fourth Quarter and Full-Year 2023 Outlook**

The following provides information on our fourth quarter 2023 outlook:

- **Comparable store sales growth:** approximately 3%
- **Adjusted diluted earnings per share:** $0.42 to $0.46

The following provides information on our full-year 2023 outlook:

- **Net sales growth:** 6.5% to 7%
- **Comparable store sales growth:** approximately 3%
- **Adjusted EBIT**: $387 million to $393 million
- **Adjusted diluted earnings per share:** $2.77 to $2.81
- **Unit growth:** 30 new stores

- **Capital expenditures (net of landlord reimbursements):** $190 million to $210 million

**Third Quarter 2023 Conference Call**

Sprouts will hold a conference call at 10:30 a.m. Eastern Daylight Time on Tuesday, October 31, 2023, during which Sprouts executives will further discuss third quarter 2023 financial results.

A webcast of the conference call will be available through Sprouts' investor relations webpage, accessible via the following link. Participants should register on the website approximately ten minutes prior to the start of the webcast.

A webcast replay will be available at approximately 1:30 p.m. Eastern Daylight Time on October 31, 2023. This can be accessed with the following link.

**Important Information Regarding Outlook**

There is no guarantee that Sprouts will achieve its projected financial expectations, which are based on management estimates, currently available information and assumptions that management believes to be reasonable. These expectations are inherently subject to significant economic, competitive and other uncertainties and contingencies, many of which are beyond the control of management. See "Forward-Looking Statements" below.

**Forward-Looking Statements**

Certain statements in this press release 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," 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 release. 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; product supply disruptions; equipment supply disruptions; general economic conditions that impact consumer spending or result in competitive responses; accounting standard changes; the current inflationary environment and future potential inflationary and/or deflationary trends; the impact of the COVID-19 pandemic; 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 release and does not undertake to update or revise them as more information becomes available, except as required by law.

**Corporate Profile**

True to its farm-stand heritage, Sprouts offers a unique grocery experience featuring an open layout with fresh produce at the heart of the store. Sprouts inspires wellness naturally with a carefully curated assortment of better-for-you products paired with purpose-driven people. The healthy grocer continues to bring the latest in wholesome, innovative products made with lifestyle-friendly ingredients such as organic, plant-based and gluten-free. Headquartered in Phoenix, and one of the largest and fastest growing specialty retailers of fresh, natural and organic food in the United States, Sprouts employs approximately 31,000 team members and operates more than 400 stores in 23 states nationwide. To learn more about Sprouts, and the good it brings communities, visit about.sprouts.com.

**SPROUTS FARMERS MARKET, INC. AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF INCOME**
**(UNAUDITED)**
**(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)**

| | Thirteen weeks ended | | Thirty-nine weeks ended | |
|---|---|---|---|---|
| | October 1, 2023 | October 2, 2022 | October 1, 2023 | October 2, 2022 |
| Net sales | $ 1,713,282 | $ 1,591,026 | $ 5,138,839 | $ 4,827,669 |
| Cost of sales | 1,087,848 | 1,007,376 | 3,237,371 | 3,051,914 |
| Gross profit | 625,434 | 583,650 | 1,901,468 | 1,775,755 |
| Selling, general and administrative expenses | 502,801 | 460,834 | 1,486,961 | 1,382,854 |
| Depreciation and amortization (exclusive of depreciation included in cost of sales) | 31,802 | 30,313 | 99,834 | 93,377 |
| Store closure and other costs, net | 3,176 | 2,164 | 33,880 | 3,034 |
| Income from operations | 87,655 | 90,339 | 280,793 | 296,490 |
| Interest expense, net | 1,698 | 1,951 | 6,058 | 7,648 |
| Income before income taxes | 85,957 | 88,388 | 274,735 | 288,842 |
| Income tax provision | 20,644 | 22,648 | 65,928 | 72,798 |
| Net income | $ 65,313 | $ 65,740 | $ 208,807 | $ 216,044 |
| Net income per share: | | | | |
| Basic | $ 0.64 | $ 0.61 | $ 2.03 | $ 1.98 |
| Diluted | $ 0.64 | $ 0.61 | $ 2.01 | $ 1.97 |
| Weighted average shares outstanding: | | | | |
| Basic | 101,881 | 107,229 | 102,844 | 109,066 |
| Diluted | 102,703 | 108,095 | 103,758 | 109,888 |

**SPROUTS FARMERS MARKET, INC. AND SUBSIDIARIES**
**CONSOLIDATED BALANCE SHEETS**
**(UNAUDITED)**
**(IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)**

| | October 1, 2023 | January 1, 2023 |
|---|---|---|
| **ASSETS** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 251,780 | $ 293,233 |
| Accounts receivable, net | 16,203 | 16,108 |
| Inventories | 323,662 | 310,545 |
| Prepaid expenses and other current assets | 28,906 | 53,918 |
| Total current assets | 620,551 | 673,804 |
| Property and equipment, net of accumulated depreciation | 773,072 | 722,241 |
| Operating lease assets, net | 1,294,270 | 1,106,524 |
| Intangible assets | 208,060 | 184,960 |
| Goodwill | 381,741 | 368,878 |
| Other assets | 12,814 | 13,973 |
| Total assets | $ 3,290,508 | $ 3,070,380 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| Current liabilities: | | |
| Accounts payable | $ 190,133 | $ 172,904 |
| Accrued liabilities | 175,769 | 151,306 |
| Accrued salaries and benefits | 66,380 | 61,574 |
| Current portion of operating lease liabilities | 108,225 | 135,584 |
| Current portion of finance lease liabilities | 1,038 | 1,012 |
| Total current liabilities | 541,545 | 522,380 |
| Long-term operating lease liabilities | 1,382,937 | 1,145,173 |
| Long-term debt and finance lease liabilities | 158,936 | 258,902 |
| Other long-term liabilities | 38,009 | 36,340 |
| Deferred income tax liability | 54,072 | 61,123 |
| Total liabilities | 2,175,499 | 2,023,918 |
| Commitments and contingencies | | |
| Stockholders' equity: | | |
| Undesignated preferred stock; $0.001 par value; 10,000,000 shares authorized, no shares issued and outstanding | — | — |
| Common stock, $0.001 par value; 200,000,000 shares authorized, 101,623,482 shares issued and outstanding, October 1, 2023; 105,072,756 shares issued and outstanding, January 1, 2023 | 101 | 105 |
| Additional paid-in capital | 768,057 | 726,345 |
| Retained earnings | 346,851 | 320,012 |
| Total stockholders' equity | 1,115,009 | 1,046,462 |
| Total liabilities and stockholders' equity | $ 3,290,508 | $ 3,070,380 |

**SPROUTS FARMERS MARKET, INC. AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF CASH FLOWS**
**(UNAUDITED)**
**(IN THOUSANDS)**

| | Thirty-nine weeks ended | |
|---|---|---|
| | October 1, 2023 | October 2, 2022 |
| **Operating activities** | | |
| Net income | $ 208,807 | $ 216,044 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization expense | 103,668 | 96,057 |
| Operating lease asset amortization | 94,403 | 87,316 |
| Impairment of assets | 27,845 | 171 |
| Share-based compensation | 14,731 | 11,672 |
| Deferred income taxes | (13,225) | 1,025 |
| Other non-cash items | 596 | 404 |
| Changes in operating assets and liabilities, net of effects from acquisition: | | |
| Accounts receivable | 10,070 | 16,491 |
| Inventories | (11,322) | (36,280) |
| Prepaid expenses and other current assets | 21,093 | (7,880) |
| Other assets | 3,870 | 1,678 |
| Accounts payable | 27,446 | 23,121 |
| Accrued liabilities | 19,027 | 2,482 |
| Accrued salaries and benefits | 4,509 | (4,868) |
| Operating lease liabilities | (103,787) | (99,055) |
| Other long-term liabilities | 1,294 | (1,588) |
| Cash flows from operating activities | 409,025 | 306,790 |
| **Investing activities** | | |
| Purchases of property and equipment | (165,016) | (80,749) |
| Payments for acquisition, net of cash acquired | (13,032) | — |
| Cash flows used in investing activities | (178,048) | (80,749) |
| **Financing activities** | | |
| Proceeds from revolving credit facilities | — | 62,500 |
| Payments on revolving credit facilities | (100,000) | (62,500) |
| Payments on finance lease liabilities | (749) | (600) |
| Payments of deferred financing costs | — | (3,373) |
| Repurchase of common stock | (180,415) | (155,094) |
| Proceeds from exercise of stock options | 8,844 | 4,074 |
| Cash flows used in financing activities | (272,320) | (154,993) |
| (Decrease)/Increase in cash, cash equivalents, and restricted cash | (41,343) | 71,048 |
| Cash, cash equivalents, and restricted cash at beginning of the period | 295,192 | 247,004 |
| Cash, cash equivalents, and restricted cash at the end of the period | $ 253,849 | $ 318,052 |

**Non-GAAP Financial Measures**

In addition to reporting financial results in accordance with accounting principles generally accepted in the United States ("GAAP"), the company presents Adjusted gross margin, Adjusted EBITDA, Adjusted EBIT, and Adjusted diluted earnings per share. These measures are not in accordance with, and are not intended as alternatives to, GAAP. The company's management believes that this presentation provides 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 financial results of the company, and certain of these measures may be used as components of incentive compensation.

The company defines EBITDA as net income before interest expense, provision for income tax, and depreciation, amortization and accretion. Adjusted gross margin, Adjusted EBITDA, Adjusted EBIT and Adjusted diluted earnings per share exclude the impact of certain specified special items. The Company has begun reporting these adjusted measures to provide additional information with respect to the impact of store closure costs and certain other items during the thirteen and thirty-nine weeks ended October 1, 2023. There were no such material adjustments during the thirteen and thirty-nine weeks ended October 2, 2022.

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 they should not be considered in isolation or as a substitute for analysis of the company's results as reported under GAAP.

The following table shows a reconciliation of (i) Adjusted gross margin to gross margin, (ii) Adjusted EBITDA and Adjusted EBIT to net income and (iii) Adjusted diluted earnings per share to diluted earnings per share, in each case, for the thirteen and thirty-nine weeks ended October 1, 2023 and October 2, 2022:

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

| | Thirteen weeks ended | | Thirty-nine weeks ended | |
|---|---|---|---|---|
| | October 1, 2023 | October 2, 2022 | October 1, 2023 | October 2, 2022 |
| Gross profit | $ 625,434 | $ 583,650 | $ 1,901,468 | $ 1,775,755 |
| Special items [1] | 1,302 | — | 2,955 | — |
| Adjusted gross profit | $ 626,736 | $ 583,650 | $ 1,904,423 | $ 1,775,755 |
| Gross margin | 36.5% | 36.7% | 37.0% | 36.8% |
| Adjusted gross margin | 36.6% | 36.7% | 37.1% | 36.8% |
| | | | | |
| Net income | $ 65,313 | $ 65,740 | $ 208,807 | $ 216,044 |
| Income tax provision | 20,644 | 22,648 | 65,928 | 72,798 |
| Interest expense, net | 1,698 | 1,951 | 6,058 | 7,648 |
| Earnings before interest and taxes (EBIT) | 87,655 | 90,339 | 280,793 | 296,490 |
| Special items [2] | 2,392 | — | 46,034 | — |
| Adjusted EBIT | 90,047 | 90,339 | 326,827 | 296,490 |
| | | | | |
| Depreciation, amortization and accretion, adjusted for special items | 33,655 | 31,201 | 97,789 | 96,057 |
| Adjusted EBITDA | $ 123,702 | $ 121,540 | $ 424,616 | $ 392,547 |
| | | | | |
| Net income | $ 65,313 | $ 65,740 | $ 208,807 | $ 216,044 |
| Special items, net of tax [2] | 1,780 | — | 34,272 | — |
| Adjusted net income | $ 67,093 | $ 65,740 | $ 243,079 | $ 216,044 |
| Diluted earnings per share | $ 0.64 | $ 0.61 | $ 2.01 | $ 1.97 |
| Adjusted diluted earnings per share | $ 0.65 | $ 0.61 | $ 2.34 | $ 1.97 |
| | | | | |
| Diluted weighted average shares outstanding | 102,703 | 108,095 | 103,758 | 109,888 |

(1) For the thirteen and thirty-nine weeks ended October 1, 2023, special items included approximately $1 million and $3 million, respectively, 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. For the thirty-nine weeks ended October 1, 2023, special items included approximately $28 million in Store Closure and other costs, net primarily related to impairment charges and $6 million in Depreciation and amortization (exclusive of depreciation in cost of sales) for accelerated depreciation in connection with store closures, $9 million in Selling, general and administrative expenses related to store closures, our supply chain transition and acquisition related costs, and $3 million in Cost of sales related to store closures and our supply chain transition. After-tax impact included the tax benefit on the pre-tax charge.

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Source: Sprouts Farmers Market, Inc
Phoenix, AZ
10/31/23