



Q1 2024 Earnings

May 2024

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; 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; 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 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 EBIT 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.

First Quarter 2024 Highlights

Net Sales	+9%
Comps ⁽¹⁾	+4.0%
Diluted EPS	\$1.12
EPS Growth ⁽²⁾	+14%
New Store Openings	7
Cash Generation From Operations	\$220M
Share Repurchases ⁽³⁾	\$60M

(1) Comparable Store Sales

(2) Reflects comparison of Q1 24 diluted EPS to Q1 23 adjusted diluted EPS

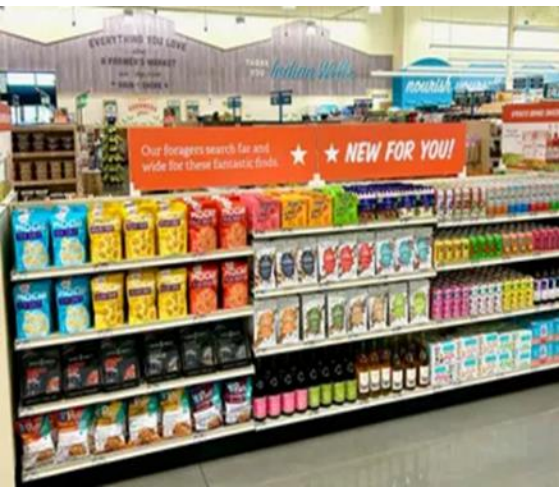
(3) Excluding excise tax



First Quarter Sales Drivers

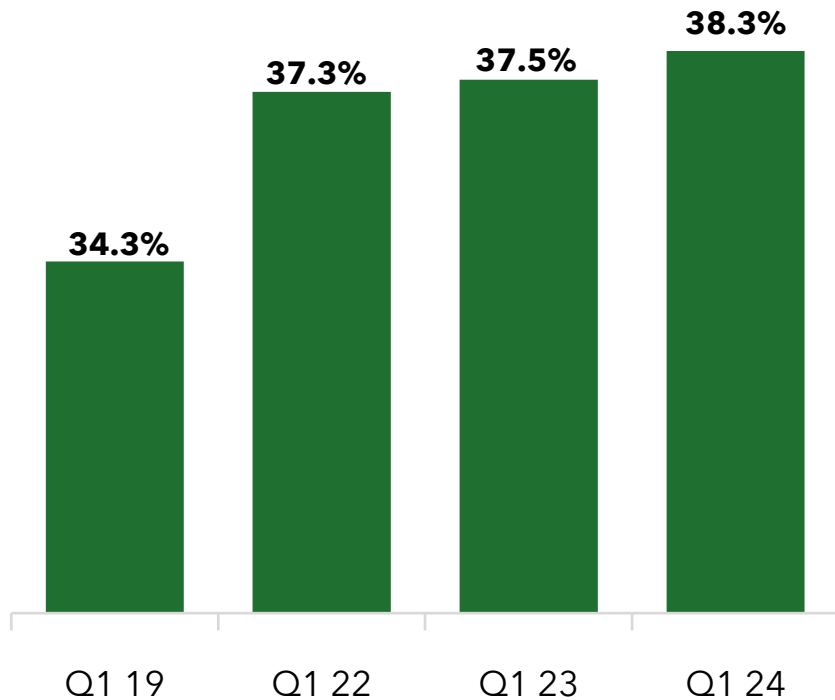


- Solid positive traffic trends continue in-store and online
- Most differentiated departments (e.g., Proteins, Grocery, Dairy, and Frozen) driving results
- Online sales expanded, as our partners promoted healthy New Year Trends and with the addition of UberEats as a delivery partner
- Foraging Team driving innovative and trending products, in both branded and Sprouts Brand
- Highest customer service scores in our history

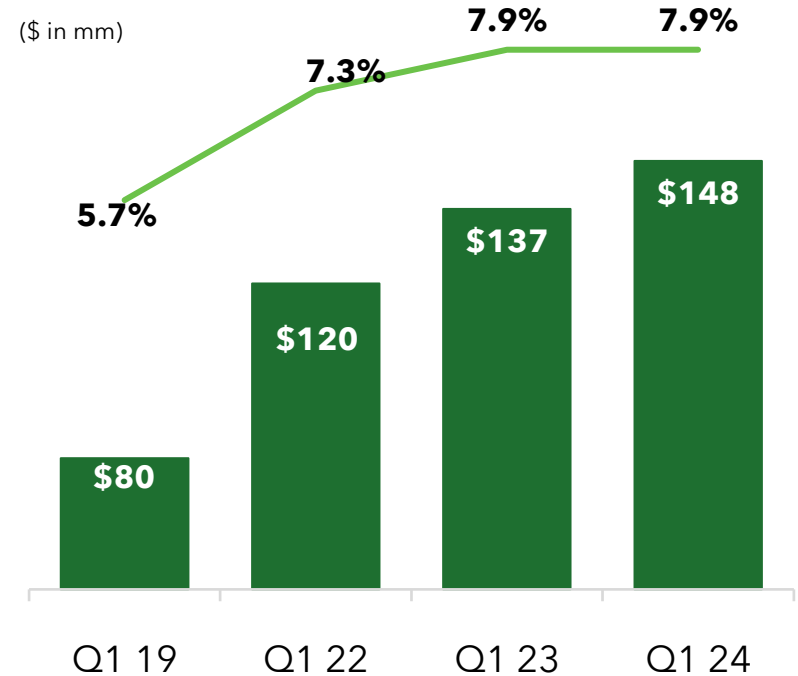


Maintaining a Structurally Improved Margin Profile

GROSS MARGIN %



ADJ EBIT & ADJ EBIT MARGIN ⁽¹⁾



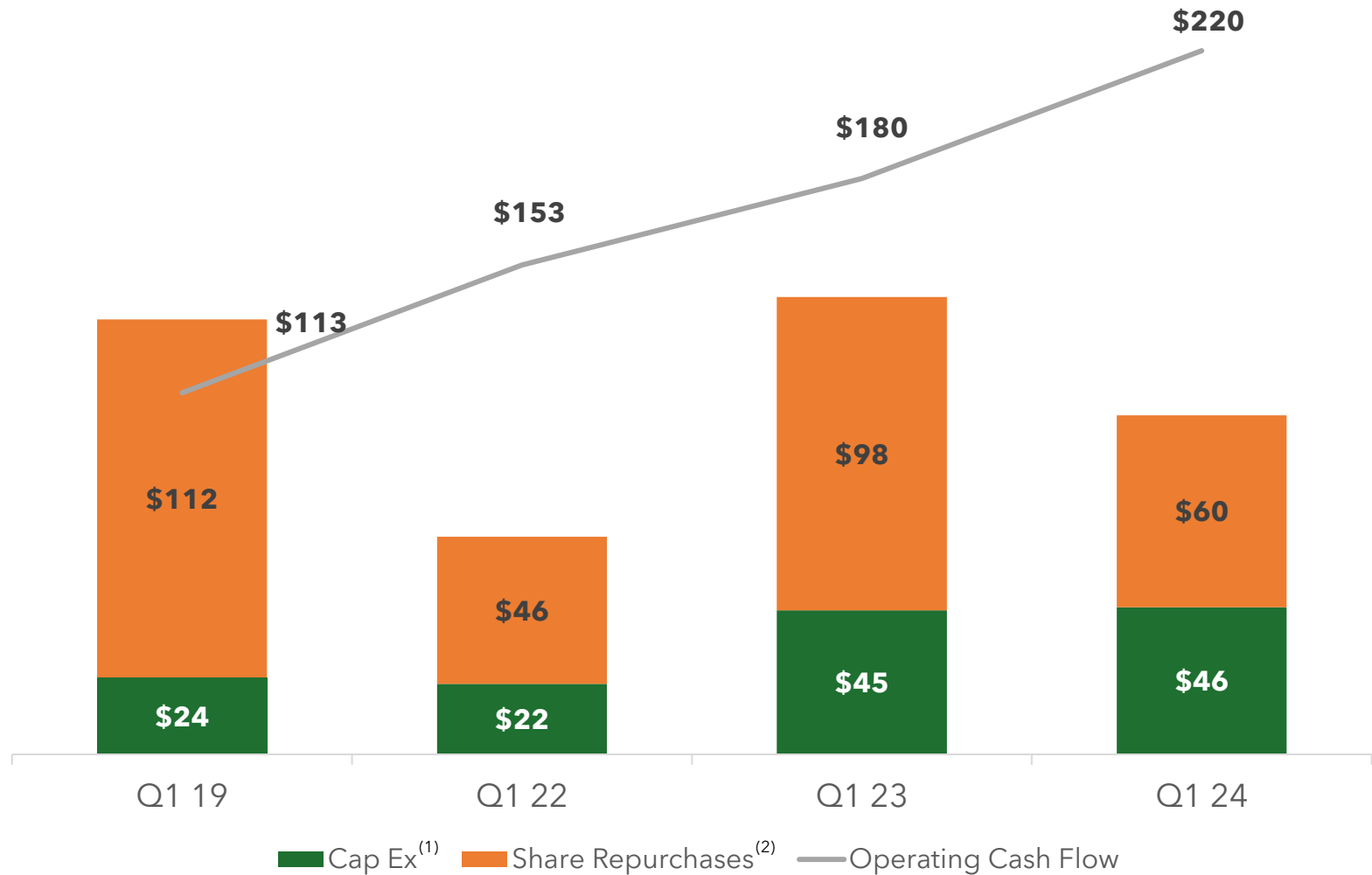
⁽¹⁾ See the Appendix to this presentation for a reconciliation of EBIT and EBIT margin to adjusted EBIT and adjusted EBIT margin - for Q1 22 & Q1 24, adjustments to EBIT were immaterial; thus, only EBIT and EBIT margin are presented for those periods.



Strong Balance Sheet, Robust Cash Flows

Self Fund our Growth and Deliver Shareholder Value through Ongoing Share Repurchase Program

(\$ in mm)



(1) Capital expenditures are net of landlord reimbursement

(2) Excluding excise tax



Full-Year 2024 Outlook

Total sales growth of 7.0% to 8.0%

Comp sales growth of 2.5% to 3.5%

Expect to open approximately 35 new stores

Earnings before interest & taxes (EBIT) \$415M to \$425M

Adjusted diluted earnings per share (EPS) \$3.05 to \$3.13

Capex (net of landlord reimbursement) \$225M to \$245M

Second Quarter 2024: Comp sales growth of 3.0% to 4.0% and
adjusted diluted EPS \$0.75 to \$0.79



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 net income and diluted earnings per share to adjusted net income and adjusted diluted earnings per share for the fiscal quarters ended, March 31, 2024, April 2, 2023, April 3, 2022, and March 31, 2019.

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

	Thirteen Weeks Ended	Thirteen Weeks Ended	Thirteen Weeks Ended	Thirteen Weeks Ended
	March 31, 2024	April 2, 2023	April 3, 2022	March 31, 2019
Net Sales	\$ 1,883,808	\$ 1,733,310	\$ 1,641,161	\$ 1,413,887
Net income	\$ 114,100	\$ 76,160	\$ 88,307	\$ 56,392
Income tax provision	33,348	23,142	28,295	18,162
Interest expense, net	818	2,220	3,039	5,002
Earnings before interest and taxes (EBIT)	148,266	101,522	119,641	79,556
Special Items	-	35,527 ⁽¹⁾	-	508 ⁽²⁾
Adjusted EBIT	\$ 148,266	\$ 137,049	\$ 119,641	\$ 80,064
EBIT Margin	7.9%	5.9%	7.3%	5.6%
Adjusted EBIT Margin	7.9%	7.9%	7.3%	5.7%
Net income	\$ 114,100	\$ 76,160	\$ 88,307	\$ 56,392
Special Items, net of tax	-	26,521 ⁽¹⁾	-	377 ⁽²⁾
Adjusted Net income	\$ 114,100	\$ 102,681	\$ 88,307	\$ 56,769
Diluted EPS	\$ 1.12	\$ 0.73	\$ 0.79	\$ 0.46
Adjusted Diluted EPS	\$ 1.12	\$ 0.98	\$ 0.79	\$ 0.46
Diluted Weighted Average Shares Outstanding	102,024	104,876	111,833	123,926

1) Includes approximately \$28 million in Store Closure and other costs, net primarily related to impairment charges and \$4 million in Depreciation and amortization (exclusive of depreciation in cost of sales) for accelerated depreciation in connection with store closures and \$3 million in Selling, general and administrative expenses related to our supply chain transition and acquisition related costs. After-tax impact includes the tax benefit on the pre-tax charge.

2) Includes direct costs associated with store closures or relocations. After-tax includes the tax benefit on the pre-tax charge.