

Discussion and Reconciliation of Non-GAAP Measures

The schedules below reconcile debt and total capital to adjusted debt and adjusted total capital and provide a calculation for Free Cash Flow. These measures were included in our fiscal 2021 first quarter earnings call presentation on September 24, 2020. We include the lease-debt equivalent and contractual lease guarantees in our adjusted debt to adjusted total capital ratio reported to shareholders, as we believe its inclusion better represents the optimal capital structure that we target from period to period and because it is consistent with the calculation of the covenant under our Revolving Credit Agreement. Free Cash Flow is defined as cash from operating activities minus capital expenditures and purchases of capitalized software and other assets.

Reconciliation of Debt and Total Capital to Adjusted Debt and Adjusted Total Capital

(in millions, except ratios)

August 30, 2020

Long-term debt, excluding unamortized discount and issuance costs	\$	939.1
Total debt	\$	939.1
Stockholders' equity		2,375.0
Total capital	\$	3,314.1
CALCULATION OF ADJUSTED CAPITAL		
Total debt	\$	939.1
Lease-debt equivalent		2,336.6
Guarantees		119.8
Adjusted debt	\$	3,395.5
Stockholders' equity		2,375.0
Adjusted total capital	\$	5,770.5
CAPITAL STRUCTURE RATIOS		
Debt to total capital ratio		28 %
Adjusted debt to adjusted total capital ratio		59 %

Free Cash Flow

(in millions)

Net cash provided by operating activities of continuing operations	\$	206.7
Less: Purchases of land, buildings and equipment		(42.2)
Less: Purchases of capitalized software and other assets		(3.7)
Free Cash Flow	\$	160.8