For Immediate Release

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Aramark Reports Third Quarter Earnings

YEAR-OVER-YEAR SUMMARY

- **Revenue +15%; Organic Revenue +14%**
  - Performance driven by net new business, pricing actions, and base business growth
  - Contributions to growth from each reportable segment
- **Operating Income +38%; Adjusted Operating Income (AOI) +34%[1]**
  - Operating Income Margin +70 bps; AOI Margin +75 bps[1]
  - Higher profitability due to operating leverage from increased revenue, improved supply chain economics, and disciplined above-unit cost management
- **EPS +706% to $1.29; Adjusted EPS +48%[1] to $0.36**
  - Results reflected consistent focus on profitable growth across the organization
  - GAAP EPS included a net gain on sale from non-controlling equity investments
- **Continued Strengthening of Balance Sheet and Financial Flexibility**
  - Opportunistically refinanced $1.1 billion term loan, extending its debt maturity to 2030
  - Repaid approximately $630 million of debt; Over $1.0 billion in cash availability at quarter-end

Philadelphia, PA, August 8, 2023 - Aramark (NYSE: ARMK) today reported third quarter fiscal 2023 results.

"Aramark's third quarter results reflect our continued focus on profitable growth across the organization," said John Zillmer, Aramark's Chief Executive Officer. "With signs of inflation moderating, and our pricing actions taking hold, we are increasingly confident in the ramp in profitability as we finish the fiscal year. I am extremely proud of our teams across the globe, which exemplify our performance-driven culture that contributed to our raised outlook expectations. We believe that we are well positioned to capitalize on the substantial opportunities ahead."

Notes:
– Supplemental business review slides available on Aramark's Investor Relations website
– [1]On a constant-currency basis

THIRD QUARTER RESULTS

Consolidated revenue was $4.7 billion in the third quarter, an increase of 15% year-over-year, driven by net new business, pricing actions, and base business growth. Revenue growth results included an incremental $47 million contribution from Union Supply Group, which was acquired in June 2022. A stronger dollar in the period impacted revenue by $21 million.

Organic revenue, which adjusts for the effect of currency translation and certain acquisitions, grew 14% year-over-year compared to the prior year period.

	Revenue			
	Q3 '23	Q3 '22	Change (%)	Organic Revenue Change (%)
FSS United States	$2,891M	$2,481M	16%	15%
FSS International	1,162	978	19%	20%
Uniform & Career Apparel	696	668	4%	5%
Total Company	$4,749M	$4,127M	15%	14%

Difference between Change (%) and Organic Revenue Change (%) reflects the effect of certain acquisitions and the impact of currency translation.
May not total due to rounding.

- FSS United States revenue growth benefited from net new business and pricing actions, as well as strong base business performance led by higher per capita spending in the Sports & Entertainment business and increased return-to-work volume in the Business & Industry sector.
- FSS International grew revenue across all geographies, particularly in the U.K., Germany, and Canada, as a result of net new business, pricing actions, and ongoing base business growth.
- Uniform & Career Apparel increased revenue driven primarily by pricing actions, and growth in adjacency sales, partially offset by the rollback of an energy surcharge that was implemented in the third quarter last year.

Operating Income increased 38% year-over-year, growing to $203 million, and AOI grew 34%[1] to $240 million, reflecting an operating income margin increase of 70 basis points and an AOI margin increase of 75 basis points[1]. Performance was driven by operating leverage from increased revenue, improved supply chain economics, and disciplined above-unit cost management. The effect of currency translation impacted results by $0.8 million.

	Operating Income			Adjusted Operating Income (AOI)			
	Q3 '23	Q3 '22	Change (%)	Q3 '23	Q3 '22	Change (%)	Constant Currency Change (%)
FSS United States	$129M	$89M	44%	$147M	$108M	36%	36%
FSS International*	40	35	14%	46	38	20%	21%
Uniform & Career Apparel	67	61	10%	77	69	12%	13%
Corporate	(32)	(36)	13%	(30)	(36)	16%	16%
Total Company	$203M	$148M	38%	$240M	$180M	34%	34%

May not total due to rounding.
*FSS International does not include the contribution from AIM Services subsequent to the sale of the non-controlling interest at the beginning of April 2023.

Year-over-year profitability improvement was a result of the following segment performance:

- FSS United States increase was driven by the ongoing maturity of new business, supply chain purchasing normalization and initiatives, and disciplined above-unit cost management across the entire segment.
- FSS International results benefited from scaling new business, leverage from higher base business volumes, improved supply chain economics, and reduced above-unit costs from actions taken earlier in the fiscal year.
- Uniform & Career Apparel improved due to a focus on revenue mix and base business performance as well as early savings associated with operating and administrative cost efficiency initiatives implemented at the end of the second quarter.
- Corporate expenses reflected prudent cost management as revenue increased, as well as lower share-based compensation expense.

CASH FLOW AND CAPITAL STRUCTURE

Consistent with the historical seasonality of the business, Net cash provided by operating activities increased $36 million in the third quarter to $23 million, and Free Cash Flow was a use of $80 million. The $16 million year-over-year improvement in Free Cash Flow was driven by higher net income results and favorable working capital, somewhat offset by increased capital expenditures—while CapEx was still below historical levels.

Net cash provided by investing activities included approximately $635 million in combined proceeds from the sale of the Aramark's 50% equity stake in AIM Services and a portion of its ownership position in the San Antonio Spurs NBA franchise as part of the Company's evaluation of its non-controlling interest portfolio.

In the third quarter, Aramark proactively refinanced the Company's 2025 Term Loan B, totaling $1.1 billion, that extended the debt maturity by more than five years, to June 2030, as previously disclosed. The refinancing was net leverage neutral and maintained a comparable fixed-to-floating debt level, which is typically approximately 80% to 85% fixed for the Company. Aramark will continue to be opportunistic in its financing strategies.

Additionally, the Company repaid approximately $630 million of debt in the quarter. Aramark had more than $1.0 billion in cash availability at quarter-end.

DIVIDEND DECLARATION

The Company's Board of Directors approved a quarterly dividend of 11 cents per share of common stock, as announced on August 2, 2023. The dividend will be payable on August 29, 2023, to stockholders of record at the close of business on August 16, 2023.

BUSINESS UPDATE

Aramark remains committed to driving its profitable growth strategies. The Company has consistently delivered net new business wins at a higher rate than historical levels and third quarter 2023 organic revenue has now reached over 120% of the comparable period in fiscal 2019.

The Company anticipates improved profitability in the near- and longer-term through:

- Ongoing supply chain normalization and optimization and expected benefits from early trends related to the moderation of inflation
- Profit improvement through pricing actions, most notably in the fourth quarter in the Education sector and Corrections business
- Profitability ramp of new business as a result of operational maturity and efficiencies
- Benefit from recently completed organizational restructuring initiatives, particularly in FSS International and Uniform Services
- Disciplined control and leverage of above-unit overhead across higher revenue

Aramark expects its typical "U-shaped" margin seasonality to continue—with margins higher in the first and fourth quarters compared to the second and third quarters. The seasonality of the business is also expected to drive Net cash provided by operating activities and Free Cash Flow, which historically result in a large cash inflow in the fourth quarter, primarily from Collegiate Hospitality.

UNIFORM SERVICES SPIN-OFF

Aramark has made significant progress related to the operational, regulatory, and financial logistics to complete the spin-off of the Uniforms segment. Based on the current macroeconomic and capital market environment, the Company anticipates the transaction to be completed at the end of its fiscal year, subject to customary closing conditions. Aramark Uniform Services plans to host an Analyst Day on September 13, 2023, to review its strategic plan and next phase of value creation. Additional details to follow.

OUTLOOK

The Company provides its expectations for organic revenue growth, Adjusted Operating Income, Free Cash Flow, and Net Debt to Covenant Adjusted EBITDA ("Leverage Ratio") on a non-GAAP basis, and does not provide a reconciliation of such forward-looking non-GAAP measures to GAAP due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliations, including adjustments that could be made for the impact of the change in fair value related to certain gasoline and diesel agreements and other charges and the effect of currency translation. The fiscal 2023 outlook reflects management's current assumptions regarding numerous evolving factors that are difficult to accurately predict, including those discussed in the Risk Factors set forth in the Company's filings with the United States Securities and Exchange Commission.

Aramark raised its full-year performance expectations for fiscal 2023 as follows:

Organic Revenue Growth ~15% (from >13%), comprised of...		
Global FSS	*~17%*	*(from ~15%)*
Uniform Services	*~5.5%*	

Adjusted Operating Income Growth ~33% (from ~32%), comprised of...		
Global FSS	*~46%*	*(from ~45%)*
Uniform Services	*~8%*	*(from ~7%)*

Free Cash Flow ~$475 million	
Deferred payroll taxes related to CARES Act	*$64 million*
Spin-off and restructuring related costs	*$100-$120 million*
After these items, **Free Cash Flow ~$300 million**	

Leverage Ratio less than 4.0x

Note: Global FSS is defined as the sum of the FSS United States, FSS International, and Corporate reportable segments. Uniform Services is defined as the Uniform & Career Apparel reportable segment. Outlook does not reflect any incremental public company costs associated with the spin transaction.

"Our significant progress on a number of key initiatives this year—including record revenue results, accelerating AOI growth, and reducing our leverage—reflects our focus on execution and operational excellence, and delivering for our clients and customers," Zillmer added. "As we enter the fourth quarter, I remain confident in our ability to close the year in a position of strength and build upon these results as we move into fiscal 2024."