



For Immediate Release

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## **Aramark Reports Earnings Results for Fiscal 2024**

*Company Delivers on 2024 Financial Outlook*

*Board Approves New \$500 Million Share Repurchase Program in Early November*

### **FISCAL 2024 YEAR-OVER-YEAR SUMMARY**

- **Revenue +8%; Organic Revenue +10%**
  - Represented highest annual revenue in Global FSS history
  - Driven by base business volume, pricing, and net new business
- **Operating Income +13%<sup>1</sup>; Adjusted Operating Income (AOI) +20%<sup>2</sup>**
  - Record AOI in both FSS U.S. and International segments for any fiscal year
  - Operating Income Margin +20 bps; AOI margin +50 bps<sup>2</sup>
- **GAAP EPS (42)%<sup>1</sup> to \$0.99; Adjusted EPS +35%<sup>2</sup> to \$1.55**
  - Results reflected execution on profitable growth strategies across organization
  - GAAP EPS in the prior year included a gain from the sale of noncontrolling interest in AIM Services
- **Strong Cash Flow Contributed to +50 bps Improvement in Leverage Ratio**
  - Net cash from operations +42%<sup>1</sup>; Free Cash Flow +121%; Over \$2.6 billion of cash availability
  - Sold remaining portion of ownership stake in San Antonio Spurs NBA franchise

### **Q4 YEAR-OVER-YEAR SUMMARY**

- **Revenue +5%; Organic Revenue +7%**
  - Record revenue in a fourth quarter for both FSS U.S. and International segments
- **Operating Income +2%<sup>1</sup>; Adjusted Operating Income (AOI) +8%<sup>2</sup>**
  - Increased profitability from revenue growth, cost discipline, and supply chain efficiencies
- **GAAP EPS +12%<sup>1</sup> to \$0.46; Adjusted EPS +14%<sup>2</sup> to \$0.54**

### **FOLLOWING FISCAL 2024 YEAR-END**

- **Authorized \$500 Million Share Repurchase Program; Raised Quarterly Dividend by 11%**
  - Demonstrates strong confidence in the business and the significant growth opportunities ahead

<sup>1</sup>Operating Income, Operating Income Margin, GAAP EPS, and Net cash provided by operating activities reported on a continuing operations basis

<sup>2</sup>On a constant-currency basis; Adjusted EPS excludes the interest expense, net of tax, recorded during fiscal 2023 on the \$1.5 billion Senior Notes due 2025 that were repaid in the current year

**Philadelphia, PA, November 11, 2024** - Aramark (NYSE: ARMK) today reported results for the full year of fiscal 2024.

“We reached new highs in our financial performance every quarter during fiscal 2024, ultimately achieving record revenue and AOI profitability for any year in Global FSS history,” said John Zillmer, Aramark’s Chief Executive Officer. “Aramark’s results are a testament to what our teams are capable of—continuously raising the bar and challenging ourselves across the organization to deliver for our stakeholders.”

“As part of this commitment, our Board has approved a new \$500 million share repurchase program, reflecting our strong capital structure capabilities, which include 1) strategically investing to drive growth; 2) ongoing debt repayment; 3) issuing quarterly dividends; and 4) now utilizing excess cash generation to repurchase Aramark shares. I’m proud of what we’ve accomplished this past year at the Company and believe we have tremendous runway in the business.”

### **FISCAL 2024 SUMMARY**

Consolidated revenue was \$17.4 billion, an increase of 8% year-over-year, as a result of record base business volume, pricing, and net new business growth. The effect of currency translation reduced revenue by \$275 million.

Organic revenue grew 10% compared to the prior year period.

	Revenue			
	FY24	FY23	Change (%)	Organic Revenue Change (%)
FSS United States	\$12,577M	\$11,721M	7%	7%
FSS International	\$4,824M	\$4,362M	11%	17%
<b>Total Company</b>	<b>\$17,401M</b>	<b>\$16,083M</b>	<b>8%</b>	<b>10%</b>

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

Operating income increased 13% year-over-year to \$707 million and AOI grew 20%<sup>2</sup> to \$882 million, which represented an operating margin increase of 20 basis points and AOI margin expansion of 50 basis points<sup>2</sup> year-over-year. Profitability growth was from higher base business volume and net new business, operational cost discipline across the portfolio, supply chain optimization, and favorable inflation trends. The effect of currency translation reduced operating income by \$11 million.

	Operating Income			Adjusted Operating Income (AOI)			
	FY24	FY23	Change (%)	FY24	FY23	Change (%)	Constant Currency Change (%)
FSS United States	\$660M	\$650M	2%	\$774M	\$682M	13%	14%
FSS International	\$187M	\$114M	64%	\$219M	\$176M	24%	30%
Corporate	(\$141M)	(\$139M)	(1)%	(\$111M)	(\$115M)	4%	4%
<b>Total Company</b>	<b>\$707M</b>	<b>\$625M</b>	<b>13%</b>	<b>\$882M</b>	<b>\$743M</b>	<b>19%</b>	<b>20%</b>

*May not total due to rounding*

The Company's earnings per share in fiscal 2024 was \$0.99, compared to \$1.71 in fiscal 2023. Prior year earnings per share included a gain from the sale of Aramark's noncontrolling interest in AIM Services. Adjusted earnings per share increased 35%<sup>2</sup> to \$1.55, led by the ongoing focus and execution of the Company's profitable growth strategies across the organization.

### **FOURTH QUARTER RESULTS**

Consolidated revenue was \$4.4 billion in the fourth quarter, a 5% increase year-over-year, largely driven by strong base business from volume across both segments with pricing normalizing from favorable inflation trends, particularly in Education. The effect of currency translation reduced revenue by \$72 million.

Organic revenue grew 7% year-over-year.

	Revenue			
	Q4 '24	Q4 '23	Change (%)	Organic Revenue Change (%)
FSS United States	\$3,176M	\$3,067M	4%	4%
FSS International	\$1,241M	\$1,134M	9%	16%
<b>Total Company</b>	<b>\$4,417M</b>	<b>\$4,200M</b>	<b>5%</b>	<b>7%</b>

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

- FSS United States revenue growth was led by 1) Sports & Entertainment from higher per capita spending and strong fan attendance levels in stadiums; 2) Business & Industry as a result of increased participation rates and new client wins; and 3) retail expansion in Corrections, including micro-markets—which more than offset the exit of some lower margin accounts within Facilities.
- FSS International revenue growth was broad-based across geographies, particularly in the U.K., Germany, Canada, and South America. Top performing industries included Business & Industry, Sports & Entertainment, and Extractive Services. Revenue on a GAAP basis reflected the effect of currency translation as referenced above.

In the fourth quarter, operating income increased 2% year-over-year to \$219 million, and AOI grew 8%<sup>2</sup> to \$271 million. Increased profitability was primarily due to higher revenue levels, cost discipline, and supply chain efficiencies. The prior year quarter included \$17 million of income from proceeds associated with possessory interest at a Destinations site. The effect of currency translation reduced operating income by \$3 million.

	Operating Income			Adjusted Operating Income (AOI)			
	Q4 '24	Q4 '23	Change (%)	Q4 '24	Q4 '23	Change (%)	Constant Currency Change (%)
FSS United States	\$201M	\$217M	(7)%	\$241M	\$229M	5%	5%
FSS International	\$46M	\$41M	12%	\$58M	\$52M	10%	16%
Corporate	(\$28M)	(\$43M)	34%	(\$27M)	(\$28M)	4%	4%
<b>Total Company</b>	<b>\$219M</b>	<b>\$215M</b>	<b>2%</b>	<b>\$271M</b>	<b>\$253M</b>	<b>7%</b>	<b>8%</b>

*May not total due to rounding*

Year-over-year profitability resulted from the following segment performance:

- FSS United States was driven by higher base business volume, operational cost management, and supply chain productivity initiatives across the sectors, which more than offset prior year income at a Destinations site referenced above. Excluding this item, FSS United States would have experienced double-digit AOI growth.

Operating income in the current year also reflected a non-cash inventory adjustment based on expected usage for certain products within the Corrections business.

- FSS International benefited from increased revenue, disciplined management of operating costs, and supply chain efficiencies, partially offset from higher incentive-based compensation.
- Corporate expenses were lower from tight control of above-unit overhead costs.

## **CASH FLOW AND CAPITAL STRUCTURE**

Net cash provided by operating activities increased 42% to \$727 million in fiscal 2024, and Free Cash Flow was higher by 121% to \$323 million. The year-over-year improvement was led by higher cash from operations and favorable working capital.

In the fourth quarter, the Company had a significant source of cash driven by the Collegiate Hospitality business, consistent with Aramark's historical seasonality.

Net cash from investing activities in the current year included proceeds from the sale of the Company's remaining portion of its ownership stake in the San Antonio Spurs NBA franchise.

As a result of the cash flow performance, higher earnings, and over \$1.6 billion of net debt reduction versus prior year-end, Aramark's leverage ratio improved 50 basis points year-over-year to 3.4x at the end of September 2024.

At fiscal year-end, the Company had over \$2.6 billion in cash availability.

## **DIVIDEND DECLARATION**

Aramark's Board of Directors approved an 11% increase to the quarterly dividend. The dividend of \$0.105 cents per share of common stock will be payable on December 12, 2024, to stockholders of record at the close of business on December 2, 2024.

## **BUSINESS UPDATE AND SHARE REPURCHASE PROGRAM**

During fiscal 2024, the Company drove strong financial performance through double-digit organic revenue growth, higher profitability, and margin expansion, as well as a strengthened balance sheet with considerable financial flexibility.

Aramark experienced significant annualized gross new business wins totaling more than \$1.4 billion, representing 9% of prior year revenue—the best year ever for Global FSS. Facilities recently exited some lower margin accounts within FSS United States, which contributed to an overall retention level of 93.2%. Aramark's core Foodservice business in both the United States and International achieved retention of 95.2% in the fiscal year.

The Company's new business pipeline across the organization remains substantial, including in first-time outsourcing. Aramark remains confident in the ability to achieve its Net New target of 4% to 5% of prior year revenue—with retention levels above 95%—in fiscal 2025 and beyond.

### ***Share Repurchase Program***

As a result of Aramark's growing, predictable cash flow and enhanced financial flexibility, including significant progress in reducing the Company's leverage ratio, Aramark's Board of Directors approved a newly created share repurchase program. The Company is authorized to repurchase up to \$500 million of its outstanding common stock—demonstrating strong confidence in the business and the significant growth opportunities ahead. The share repurchase program does not have a fixed expiration date, providing Aramark with the flexibility to repurchase shares at opportune times.

Under the share repurchase program, repurchases can be made from time to time using a variety of methods, including open market purchases, privately negotiated transactions, accelerated share repurchases and Rule 10b5-1 trading plans. The size and timing of any repurchases will depend on a number of factors, including share price, general business and market conditions and other factors.

## OUTLOOK

The Company provides its expectations for organic revenue growth, Adjusted Operating Income growth (constant currency), Adjusted Earnings per Share growth (constant currency) 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 effect of currency translation. The fiscal 2025 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 currently anticipates its full-year financial performance for fiscal 2025 as follows:

(\$ in millions, except EPS)	FY24	FY25* Outlook
	Reference Point	Year-over-year Growth <sup>1</sup>
<b>Organic Revenue</b>	\$17,401	+7.5% — +9.5%
<b>Adjusted Operating Income</b>	\$882	+15% — +18%
<b>Adjusted EPS</b>	\$1.55	+23% — +28%
<b>Leverage Ratio</b>	3.4x	~3.0x

*Adjusted EPS Outlook does not include benefit from potential share repurchases*

*\* 53 week year*

*<sup>1</sup>Constant Currency, except Leverage Ratio*

"As we enter fiscal 2025, we continue to take the steps necessary to reach and surpass new levels of financial performance," Zillmer added. "Our teams have laid the groundwork to create significant new business and value-creating opportunities, and we are confident in our ability to deliver on them."

## **CONFERENCE CALL SCHEDULED**

The Company has scheduled a conference call at 8:30 a.m. ET today to discuss its earnings and outlook. This call and related materials can be heard and reviewed, either live or on a delayed basis, on the Company's website, [www.aramark.com](http://www.aramark.com), on the investor relations page.

## **About Aramark**

Aramark (NYSE: ARMK) proudly serves the world's leading educational institutions, Fortune 500 companies, world champion sports teams, prominent healthcare providers, iconic destinations and cultural attractions, and numerous municipalities in 16 countries around the world with food and facilities management. Because of our hospitality culture, our employees strive to do great things for each other, our partners, our communities, and the planet. Aramark has been recognized on FORTUNE's list of "World's Most Admired Companies," The Civic 50 by Points of Light 2024, Fair360's "Top 50 Companies for Diversity" and "Top Companies for Black Executives," Newsweek's list of "America's Most Responsible Companies 2024," the HRC's "Best Places to Work for LGBTQ Equality," and earned a score of 100 on the Disability Equality Index. Learn more at [www.aramark.com](http://www.aramark.com) and connect with us on LinkedIn, Facebook, X, and Instagram.