Aramark First Quarter 2017 Results

February 7, 2017

Forward-Looking Statements

This presentation includes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 that reflect our current views as to future events and financial performance with respect to, without limitation, conditions in our industry, our operations, our economic performance and financial condition, including, in particular, statements under the heading, “2017 Business Outlook” relating to our business and growth strategy. These statements can be identified by the fact that they do not relate strictly to historical or current facts. They use words such as “outlook,” "aim," "anticipate," “are confident,” “have confidence,” "estimate," "expect," “will be," "will continue," "will likely result," "project, "intend," "plan," "believe,” see,” “look into” and other words and terms of similar meaning or the negative versions of such words.

Forward-looking statements speak only as of the date made. All statements we make relating to our estimated and projected earnings, costs, expenditures, cash flows, growth rates and financial results are forward-looking statements. In addition, we, through our senior management, from time to time make forward-looking public statements concerning our expected future operations and performance and other developments. These forward-looking statements are subject to risks and uncertainties that may change at any time, and, therefore, our actual results may differ materially from those that we expected. We derive many of our forward-looking statements from our operating budgets and forecasts, which are based upon many detailed assumptions. While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and, of course, it is impossible for us to anticipate all factors that could affect our actual results. All subsequent written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by the cautionary statements. Some of the factors that we believe could affect our results include without limitation: unfavorable economic conditions; natural disasters, global calamities, sports strikes and other adverse incidents; the failure to retain current clients, renew existing client contracts and obtain new client contracts; a determination by clients to reduce their outsourcing or use of preferred vendors; competition in our industries; increased operating costs and obstacles to cost recovery due to the pricing and cancellation terms of our food and support services contracts; the inability to achieve cost savings through our cost reduction efforts; our expansion strategy; the failure to maintain food safety throughout our supply chain, food-borne illness concerns and claims of illness or injury; governmental regulations including those relating to food and beverages, the environment, wage and hour and government contracting; liability associated with noncompliance with applicable law or other governmental regulations; new interpretations of or changes in the enforcement of the government regulatory framework; currency risks and other risks associated with international operations, including Foreign Corrupt Practices Act, U.K. Bribery Act and other anti-corruption law compliance; continued or further unionization of our workforce; liability resulting from our participation in multiemployer defined benefit pension plans; risks associated with suppliers from whom our products are sourced; disruptions to our relationship with, or to the business of, our primary distributor; the inability to hire and retain sufficient qualified personnel or increases in labor costs; healthcare reform legislation; the contract intensive nature of our business, which may lead to client disputes; seasonality; disruptions in the availability of our computer systems or privacy breaches; failure to achieve and maintain effective internal controls; our leverage; the inability to generate sufficient cash to service all of our indebtedness; debt agreements that limit our flexibility in operating our business; and other factors set forth under the headings Item 1A “Risk Factors,” Item 3 “Legal Proceedings” and Item 7 “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and other sections of our Annual Report on Form 10-K and other reports filed with the SEC on November 23, 2016, as such factors may be updated from time to time in our other periodic filings with the SEC, which are accessible on the SEC’s website at www.sec.gov and which may be obtained by contacting Aramark’s investor relations department via its website www.aramark.com. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this presentation and in our other filings with the SEC. As a result of these risks and uncertainties, readers are cautioned not to place undue reliance on any forward-looking statements included herein or that may be made elsewhere from time to time by, or on behalf of, us. We undertake no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments, changes in our expectations, or otherwise, except as required by law.

Important Disclosure

In this presentation, we mention certain financial measures that are considered non-GAAP. Generally, a non-GAAP financial measure is a numerical measure of a company's performance, financial position, or cash flows that either excludes or includes items different than those prepared or presented in accordance with generally accepted accounting principles in the United States. We have prepared disclosures and reconciliations of non-GAAP financial measures that were used in this presentation and may be used periodically by management when discussing our financial results with investors and analysts, which are in the appendix to this presentation. Our fiscal year ends on the Friday nearest September 30 of each year. When we refer to our fiscal years, we say “Fiscal” and the year number, as in “Fiscal 2016” which refers to our fiscal year ended September 30, 2016.

Overview

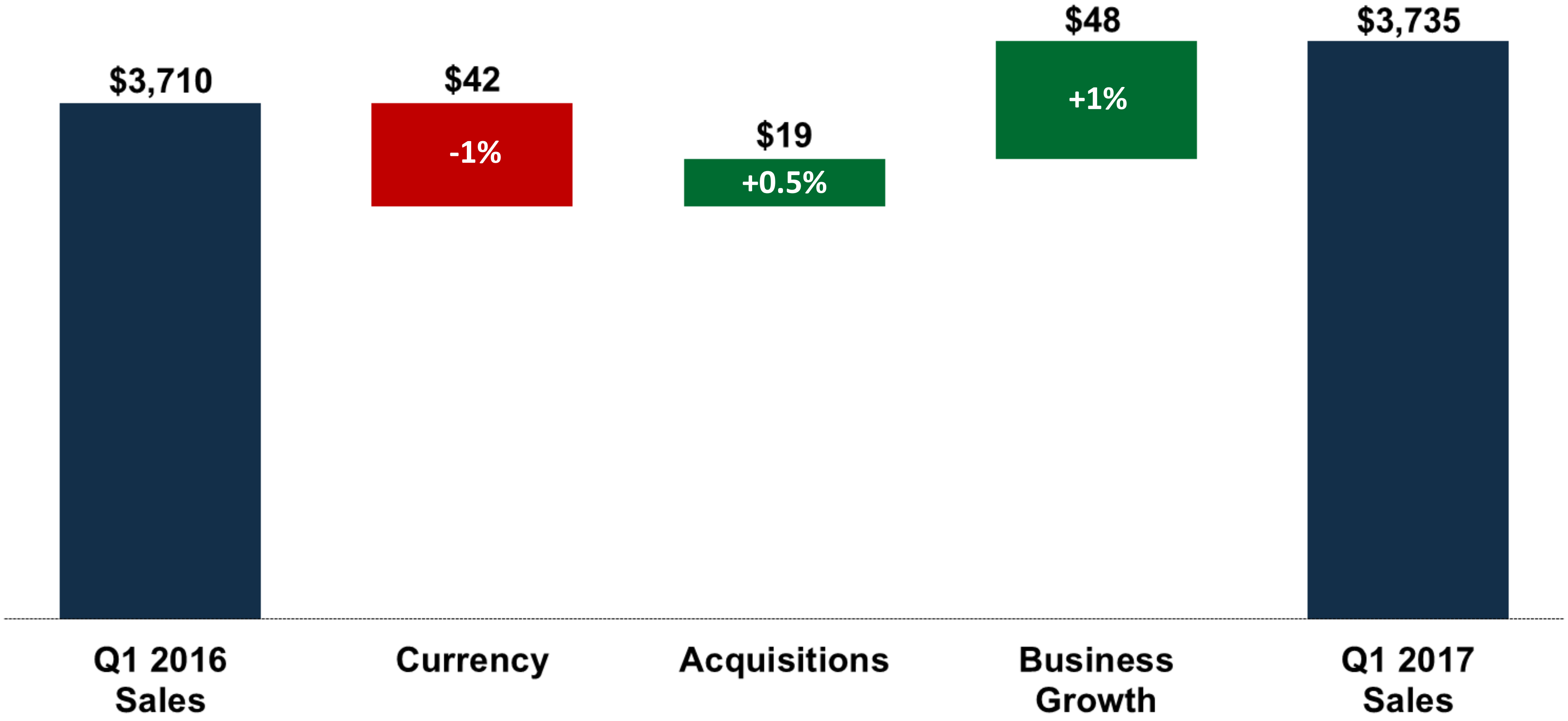
- **Solid First Quarter Results, in line with expectations**
  - Adjusted EPS of $0.55, up 10% [1]
  - Organic sales growth of +1%
  - Adjusted Operating Income (AOI) of $266 million, up 1%[1]
  - Adjusted Operating Income Margin unchanged at 7.1%

- **Improved FY17 Free Cash Flow outlook > $350 million**

- **$250m Share Repurchase Authorization over two years**

[1] Constant Currency

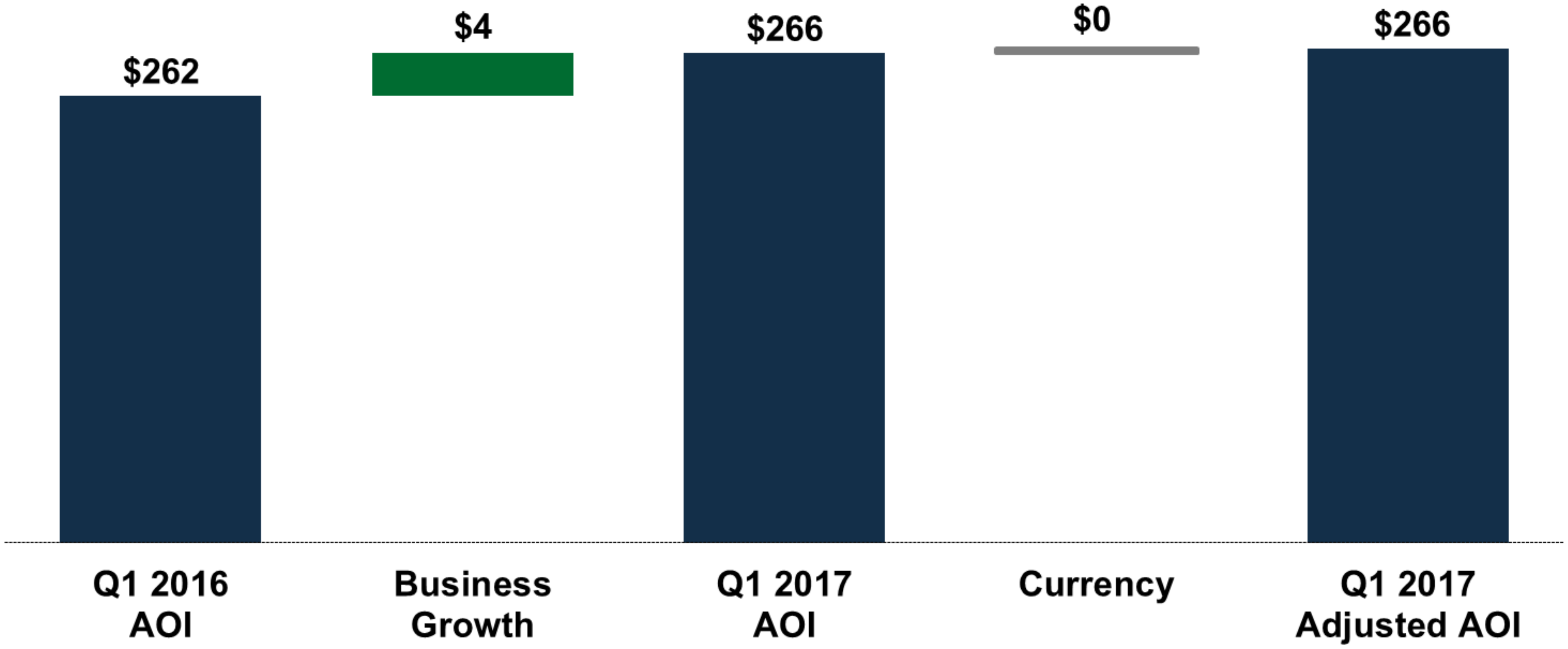
Q1 Sales Reconciliation



Percentage change may not foot due to rounding

Organic Sales Growth +1%, Reported Sales Growth +1%

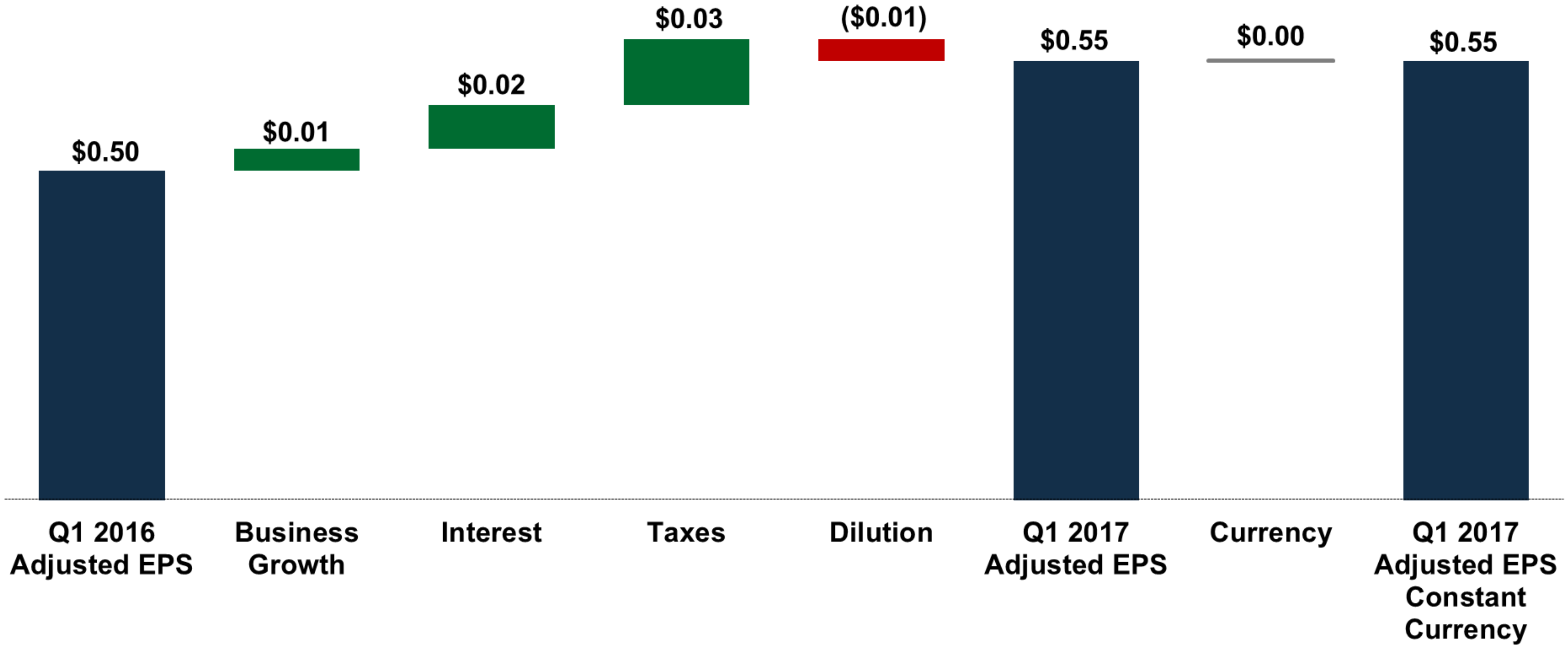
Q1 AOI Reconciliation



AOI Growth +1%[1]; AOI Margin unchanged at 7.1%

[1] Constant Currency

Q1 Adjusted EPS Reconciliation



Adjusted EPS +10%[1]

[1] Constant Currency

Capital Structure Review

- Liquidity and Financial Flexibility are Strong
  - $818 million in cash and revolver availability
  - No significant maturities until 2019
- 40 bps Reduction in Debt / Covenant Adjusted EBITDA Ratio to 3.9x
- Improved FY17 Free Cash Flow Outlook of >$350 million
- Free Cash Flow >$1 billion now expected in multi-year framework of FY16 – FY18
- Share Repurchase of $100 million in Q2

2017 Business Outlook

FY 17 Expectations

- Adjusted EPS $1.85 to $1.95
  - Operational earnings expected to drive low double-digit Adjusted EPS growth
- Currency 2 cent headwind*
- Capex 3.25% to 3.50% of Sales
- Interest expense comparable to prior-year
- Tax rate down ~200 bps vs. prior-year
- FCF of > $350M*
- Leverage ratio 3.6x – 3.7x by year-end

* Change relative to Q416 earnings call presentation

First Half Expectations

1H 2017	Revenue	AOI
FSS NA	↑	↑
FSS Int'l	↑ *	↑
Uniform	↔ *	↔ *
ARMK	↑	↑

↑ Higher than PY period ↔ Flat to PY period

Summary

- Solid First Quarter Results
- Continued Reinvestment to Drive Growth and Productivity Improvements
- FY17 Adjusted EPS guidance of $1.85 – $1.95 unchanged
- $250 million Board share repurchase authorization, reflecting confidence in improved cash flow and strong business outlook

Appendix

Non-GAAP Reconciliation

Adjusted Sales (Organic)

Adjusted Sales (Organic) represents sales growth, adjusted to eliminate the effects of material acquisitions and divestitures and the impact of currency translation.

Adjusted Operating Income

Adjusted Operating Income represents operating income adjusted to eliminate the change in amortization of acquisition-related customer relationship intangible assets and depreciation of property and equipment resulting from the going-private transaction in 2007 (the "2007 LBO"); the impact of the change in fair value related to certain gasoline and diesel agreements; severance and other charges; share-based compensation; the effects of material acquisitions and divestitures and other items impacting comparability.

Adjusted Operating Income (Constant Currency)

Adjusted Operating Income (Constant Currency) represents Adjusted Operating Income adjusted to eliminate the impact of currency translation.

Covenant Adjusted EBITDA

Covenant Adjusted EBITDA represents net income attributable to Aramark stockholders adjusted for interest and other financing costs, net; provision (benefit) for income taxes; depreciation and amortization; and certain other items as defined in our debt agreements required in calculating covenant ratios and debt compliance.

Adjusted Net Income

Adjusted Net Income represents net income attributable to Aramark stockholders adjusted to eliminate the change in amortization of acquisition-related customer relationship intangible assets and depreciation of property and equipment resulting from the 2007 LBO; the impact of changes in the fair value related to certain gasoline and diesel agreements; severance and other charges; share-based compensation; the effects of material acquisitions and divestitures and other items impacting comparability, less the tax impact of these adjustments. The tax effect for adjusted net income for our U.S. earnings is calculated using a blended U.S. federal and state tax rate. The tax effect for adjusted net income in jurisdictions outside the U.S. is calculated at the local country tax rate.

Adjusted Net Income (Constant Currency)

Adjusted Net Income (Constant Currency) represents Adjusted Net Income adjusted to eliminate the impact of currency translation.

Free Cash Flow

Free Cash Flow represents net cash provided by operating activities less net purchases of property and equipment, client contract investments and other. Management believes that the presentation of free cash flow provides useful information to investors because it represents a measure of cash flow available for distribution among all the security holders of the Company.

We use Adjusted Sales (Organic), Adjusted Operating Income (including on a constant currency basis), Covenant Adjusted EBITDA, Adjusted Net Income (including on a constant currency basis) and Free Cash Flow as supplemental measures of our operating profitability and to control our cash operating costs. We believe these financial measures are useful to investors because they enable better comparisons of our historical results and allow our investors to evaluate our performance based on the same metrics that we use to evaluate our performance and trends in our results. These financial metrics are not measurements of financial performance under generally accepted accounting principles, or GAAP. Our presentation of these metrics has limitations as an analytical tool, and should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP. You should not consider these measures as alternatives to sales, operating income or net income, determined in accordance with GAAP. Adjusted Sales (Organic), Adjusted Operating Income, Covenant Adjusted EBITDA, Adjusted Net Income and Free Cash Flow as presented by us, may not be comparable to other similarly titled measures of other companies because not all companies use identical calculations.

Non-GAAP Reconciliation

- **Adjusted Consolidated Operating Income Margin**

ARAMARK AND SUBSIDIARIES
RECONCILIATION OF NON-GAAP MEASURES
ADJUSTED CONSOLIDATED OPERATING INCOME MARGIN
(Unaudited)
(In thousands)

Three Months Ended December 30, 2016

	FSS North America	FSS International	Uniform	Corporate	Aramark and Subsidiaries
Sales (as reported)	$ 2,662,782	$ 677,150	$ 395,451		$ 3,735,383
Operating Income (as reported)	$ 185,212	$ 31,679	$ 53,764	$ (26,600)	$ 244,055
Operating Income Margin (as reported)	6.96%	4.68%	13.60%		6.53%
Sales (as reported)	$ 2,662,782	$ 677,150	$ 395,451		$ 3,735,383
Effect of Currency Translation	50	41,567	—		41,617
Effects of Acquisitions and Divestitures	—	(18,563)	—		(18,563)
Adjusted Sales (Organic)	$ 2,662,832	$ 700,154	$ 395,451		$ 3,758,437
Sales Growth (as reported)	1.53%	-2.56%	0.70%		0.68%
Adjusted Sales Growth (Organic)	1.53%	0.75%	0.70%		1.30%
Operating Income (as reported)	$ 185,212	$ 31,679	$ 53,764	$ (26,600)	$ 244,055
Amortization of Acquisition-Related Customer Relationship Intangible Assets and Depreciation of Property and Equipment Resulting from the 2007 LBO	17,026	180	(383)	—	16,823
Share-Based Compensation	147	145	34	16,340	16,666
Effects of Acquisitions and Divestitures	—	(1,127)	—	—	(1,127)
Gains, Losses and Settlements impacting comparability	(3,817)	—	(1,336)	(5,710)	(10,863)
Adjusted Operating Income	$ 198,568	$ 30,877	$ 52,079	$ (15,970)	$ 265,554
Effect of Currency Translation	17	36	—	—	53
Adjusted Operating Income (Constant Currency)	$ 198,585	$ 30,913	$ 52,079	$ (15,970)	$ 265,607
Operating Income Growth (as reported)	10.03%	5.52%	6.80%		13.99%
Adjusted Operating Income Growth	0.44%	3.77%	4.73%		1.18%
Adjusted Operating Income Growth (Constant Currency)	0.44%	3.90%	4.73%		1.20%
Adjusted Operating Income Margin (Constant Currency)	7.46%	4.42%	13.17%		7.07%

Three Months Ended January 1, 2016

	FSS North America	FSS International	Uniform	Corporate	Aramark and Subsidiaries
Sales (as reported)	$ 2,622,641	$ 694,919	$ 392,715		$ 3,710,275
Adjusted Sales (Organic)	$ 2,622,641	$ 694,919	$ 392,715		$ 3,710,275
Operating Income (as reported)	$ 168,329	$ 30,023	$ 50,343	$ (34,602)	$ 214,093
Amortization of Acquisition-Related Customer Relationship Intangible Assets and Depreciation of Property and Equipment Resulting from the 2007 LBO	27,342	142	(655)	—	26,829
Share-Based Compensation	326	72	40	15,663	16,101
Severance and Other Charges	—	(864)	—	3,435	2,571
Gains, Losses and Settlements impacting comparability	1,710	381	—	765	2,856
Adjusted Operating Income	$ 197,707	$ 29,754	$ 49,728	$ (14,739)	$ 262,450
Operating Income Margin (as reported)	6.42%	4.32%	12.82%		5.77%
Adjusted Operating Income Margin	7.54%	4.28%	12.66%		7.07%

Non-GAAP Reconciliation

- Adjusted Net Income
- Adjusted EPS

ARAMARK AND SUBSIDIARIES
RECONCILIATION OF NON-GAAP MEASURES
ADJUSTED NET INCOME & ADJUSTED EPS
(Unaudited)
(In thousands, except per share amounts)

	Three Months Ended December 30, 2016	Three Months Ended January 1, 2016
Net Income Attributable to Aramark Stockholders (as reported)	$ 125,339	$ 93,343
Adjustment:		
Amortization of Acquisition-Related Customer Relationship Intangible Assets and Depreciation of Property and Equipment Resulting from the 2007 LBO	16,823	26,829
Share-Based Compensation	16,666	16,101
Severance and Other Charges	—	2,571
Effects of Acquisitions and Divestitures	(1,127)	—
Gains, Losses and Settlements impacting comparability	(10,863)	2,856
Tax Impact of Adjustments to Adjusted Net Income	(8,362)	(19,113)
Adjusted Net Income	$ 138,476	$ 122,587
Effect of Currency Translation, net of Tax	43	—
Adjusted Net Income (Constant Currency)	$ 138,519	$ 122,587
Earnings Per Share (as reported)		
Net Income Attributable to Aramark Stockholders (as reported)	$ 125,339	$ 93,343
Diluted Weighted Average Shares Outstanding	252,593	247,613
	$ 0.50	$ 0.38
Earnings Per Share Growth (as reported)	31.58%	
Adjusted Earnings Per Share		
Adjusted Net Income	$ 138,476	$ 122,587
Diluted Weighted Average Shares Outstanding	252,593	247,613
	$ 0.55	$ 0.50
Adjusted Earnings Per Share Growth	10.00%	
Adjusted Earnings Per Share (Constant Currency)		
Adjusted Net Income (Constant Currency)	$ 138,519	$ 122,587
Diluted Weighted Average Shares Outstanding	252,593	247,613
	$ 0.55	$ 0.50
Adjusted Earnings Per Share Growth (Constant Currency)	10.00%	

Non-GAAP Reconciliation

- **Debt to Covenant Adjusted EBITDA**

ARAMARK AND SUBSIDIARIES
RECONCILIATION OF NON-GAAP MEASURES
DEBT TO COVENANT ADJUSTED EBITDA
(Unaudited)
(In thousands)

	Twelve Months Ended	
	December 30, 2016	January 1, 2016
Net Income Attributable to Aramark Stockholders (as reported)	$ 319,802	$ 243,792
Interest and Other Financing Costs, net	309,740	285,339
Provision for Income Taxes	146,306	109,997
Depreciation and Amortization	494,774	506,267
Share-based compensation expense(1)	57,897	65,894
Unusual or non-recurring (gains) and losses(2)	—	(3,903)
Pro forma EBITDA for equity method investees(3)	15,269	15,095
Pro forma EBITDA for certain transactions(4)	2,718	—
Other(5)	28,300	57,496
Covenant Adjusted EBITDA	$ 1,374,806	$ 1,279,977
Debt to Covenant Adjusted EBITDA		
Total Long-Term Borrowings	$ 5,412,458	$ 5,540,150
Covenant Adjusted EBITDA	$ 1,374,806	$ 1,279,977
Debt/Covenant Adjusted EBITDA	3.9	4.3

(1) Represents compensation expense related to the Company's issuances of share-based awards but does not include the related employer payroll tax expense incurred by the Company when employees exercise in the money stock options or vest in restricted stock awards.

(2) The twelve months ended January 1, 2016 includes other income of approximately $2.0 million related to our investment (possessory interest) at one of our National Parks Service client sites in our Sports, Leisure & Corrections sector and a net of tax gain of approximately $1.9 million related to the sale of building in our Healthcare sector.

(3) Represents our estimated share of EBITDA primarily from our AIM Services Co., Ltd. equity method investment, not already reflected in our EBITDA. EBITDA for this equity method investee is calculated in a manner consistent with consolidated EBITDA but does not represent cash distributions received from this investee.

(4) Represents the annualizing of net EBITDA from certain acquisitions and divestitures made during the period.

(5) Other includes the following for the twelve months ended December 30, 2016 and January 1, 2016, respectively: organizational streamlining initiatives ($26.8 million costs and $27.4 million costs), the impact of the change in fair value related to certain gasoline and diesel agreements ($13.8 million gain and $0.2 million gain), expenses related to acquisition costs ($4.0 million and $0.4 million), property and other asset write-downs associated with the sale of a building ($5.1 million and $10.4 million) and asset write-offs ($5.0 million and $16.2 million).