

# First Quarter 2016 Results

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February 10, 2016

# Forward-Looking Statements

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This presentation includes "forward-looking statements" within the meaning of the federal securities laws, including, without limitation, statements concerning the conditions in our industry, our operations or economic performance and financial performance. These statements can be identified by the fact that they do not relate strictly to historical or current facts. They use words such as "aim," "anticipate," "are confident," "are bullish," "estimate," "expect," "will be," "will continue," "will likely result," "project," "intend," "plan," "believe" and other words and terms of similar meaning in connection with a discussion of future operating or financial plans or performance. These statements are subject to risks and uncertainties that may change at any time, and, therefore, our results may differ materially from those that we expected.

Factors that we believe could affect our results include: 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 Risk Factors, Legal Proceedings and Management's Discussion and Analysis of Financial Conditions and Results of Operations and other sections of Aramark's Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission (the "SEC"). Many of the factors that will determine the outcome of the subject matter of this presentation are beyond our ability to control or predict. Before you invest, you should read our Annual Report on Form 10-K and other documents we have filed with the SEC for more complete information about us. You may obtain these documents for free by visiting EDGAR on the SEC website at <http://www.sec.gov>.

Forward-looking statements speak only as of the date made. We undertake no obligation to update any forward-looking statements to reflect the events or circumstances arising after the date as of which they are made. As a result of these risks and uncertainties, you are cautioned not to place undue reliance on the forward-looking statements included herein or that may be made elsewhere from time to time by, or on behalf of, us.

## 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 2015" which refers to our fiscal year ended October 2, 2015.

# Overview

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## ➤ Strong First Quarter

- ❑ Business Operations In-line w/ Mgt. Expectation;
- ❑ 3% Organic Sales Growth;
- ❑ Constant Currency AOI Margin 7.1%;
- ❑ AOI Margin +30 Basis Points;
- ❑ Constant Currency Adjusted EPS +9%.

## ➤ Full Year Adjusted EPS Expectations Unchanged

- ❑ \$1.65 to \$1.75

# Q1 Sales Reconciliation

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➤ Organic Growth +3%;

	\$M	% vs PY
Q1 2015 Sales	\$3,702	
Currency	(113)	(3%)
Organic Growth	<u>121</u>	<u>3%</u>
Q1 2016 Sales	\$3,710	Flat

## Q1 Adjusted Operating Income (AOI) Reconciliation

- Growth of 7% on a constant currency basis, Margin up 30 basis points;

	\$M	% vs PY
Q1 2015 Adjusted Operating Income Margin 6.8%	\$252	
Growth	<u>10</u>	4%
Q1 2016 Adjusted Operating Income	\$262	
Addback Currency Headwind	7	3%
Q1 2016 Adjusted Operating Income Constant Currency Margin 7.1%	\$270	7%

## Q1 Adjusted EPS Reconciliation

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- Growth of 9% on a constant currency basis;

	FY
Q1 2015 Adjusted EPS	\$0.47
Business Growth	0.03
Q1 2016 Adjusted EPS	\$0.50
Addback Currency Headwind	0.01
Q1 2016 Adjusted EPS Constant Currency	\$0.51

} +9%

# Capital Structure Review

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## ➤ Liquidity is Strong

- ❑ Cash and revolver availability \$780M

## ➤ Financial Flexibility Continues to Improve

- ❑ Total Debt to Adjusted EBITDA 4.3x, 30bps improvement yoy
- ❑ \$400M Fixed-rate, Unsecured Bonds due 2024

## ➤ Capital Allocation Plans Unchanged in 2016

- ❑ Service dividend
- ❑ Repay debt

# 2016 Business Outlook Unchanged

## Full Year Expectations

- ❑ Adjusted EPS \$1.65 to \$1.75
- ❑ Currency ~(\$0.05)/share
- ❑ CAPEX 3.25% to 3.50% of Sales
- ❑ Interest & Tax comparable to PY
- ❑ FCF Growth In-line w/Earnings

## First Half Expectations

1H 2016	Organic Revenue	AOI
FSS NA	↑	↑
FSS Int'l	↔	↑
Uniform	↑	↔
ARMK	↑	↑



# Summary

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- Strong Q1, In-line with Mgt. Expectations;
- Productivity Momentum;
- 2016 Adjusted EPS Expected \$1.65-\$1.75/share;
- Continued FCF Growth & Leverage Reduction.

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# Appendix

# Non-GAAP Reconciliation

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## Selected Operational and Financial Metrics

### Adjusted Sales (Organic)

Management believes that presentation of sales growth, adjusted to eliminate the effects of acquisitions and divestitures and the impact of currency translation, provides useful information to investors because it enhances comparability between the current year and prior year reporting periods.

### 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 "Transaction"); 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 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.

### Adjusted Net Income

Adjusted Net Income represents net income attributable to Aramark stockholders adjusted to eliminate the impact of discontinued operations; the change in amortization of acquisition-related customer relationship intangible assets and depreciation of property and equipment resulting from the Transaction; the impact of changes in the fair value related to the gasoline and diesel agreements; severance and other charges; share-based compensation; the effects of acquisitions and divestitures and other items impacting comparability, less the tax impact of these adjustments. Management believes that presentation of net income as adjusted is useful information to investors because we use such information when evaluating net income to better evaluate the underlying operating performance of the company.

### 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 used in operating activities less net purchase of property and equipment, client contract investments and other.

We use Adjusted Sales (Organic), Adjusted Operating Income and Adjusted Net Income as supplemental measures of our operating profitability and to control our cash operating costs. These financial metrics are not measurements of financial performance under generally accepted accounting principles, or GAAP. We believe the presentation of these metrics is appropriate to provide additional information to investors about our operating performance. 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 and Adjusted Net Income, as presented by us, may not be comparable to other similarly titled measures of other companies because not all companies use identical calculations. We believe Free Cash Flow is a useful measure to describe the Company's financial performance and measures its ability to generate cash from its business operations.

# Non-GAAP Reconciliation

## ➤ First Quarter '16

- ❑ Organic Sales/Growth
- ❑ AOI/Growth

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

	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
Operating Income (as reported)	\$ 168,329	\$ 30,023	\$ 50,343	\$ (34,602)	\$ 214,093
Operating Income Margin (as reported)	6.4%	4.3%	12.8%		5.8%
Sales (as reported)	\$ 2,622,641	\$ 694,919	\$ 392,715		\$ 3,710,275
Effect of Currency Translation	31,102	82,055	-		113,157
Adjusted Sales (Organic)	\$ 2,653,743	\$ 776,974	\$ 392,715		\$ 3,823,432
Sales Growth (as reported)	2.3%	-8.4%	3.5%		0.2%
Adjusted Sales Growth (Organic)	3.5%	2.4%	3.5%		3.3%
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 Transaction	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
Effect of Currency Translation	3,379	3,887	-	-	7,266
Adjusted Operating Income (Constant Currency)	\$ 201,086	\$ 33,641	\$ 49,728	\$ (14,739)	\$ 269,716
Adjusted Operating Income Growth	6.2%	-5.5%	-3.3%		4.2%
Adjusted Operating Income Growth (Constant Currency)	8.0%	6.8%	-3.3%		7.1%
Adjusted Operating Income Margin (Constant Currency)	7.6%	4.3%	12.7%		7.1%

	Three Months Ended January 2, 2015				
	FSS North America	FSS International	Uniform	Corporate	Aramark and Subsidiaries
Sales (as reported)	\$ 2,564,366	\$ 758,671	\$ 379,316		\$ 3,702,353
Adjusted Sales (Organic)	\$ 2,564,366	\$ 758,671	\$ 379,316		\$ 3,702,353
Operating Income (as reported)	\$ 162,377	\$ 30,668	\$ 54,549	\$ (45,691)	\$ 201,903
Amortization of Acquisition-Related Customer Relationship Intangible Assets and Depreciation of Property and Equipment Resulting from the Transaction	27,971	1,420	(702)	-	28,689
Share-Based Compensation	580	55	161	16,003	16,799
Severance and Other Charges	1,500	(1,000)	158	7,785	8,443
Effect of Acquisitions and Divestitures	(157)	(104)	15	-	(246)
Gains, Losses and Settlements impacting comparability	(6,148)	458	(2,732)	4,679	(3,743)
Adjusted Operating Income	\$ 186,123	\$ 31,497	\$ 51,449	\$ (17,224)	\$ 251,845
Operating Income Margin (as reported)	6.3%	4.0%	14.4%		5.5%
Adjusted Operating Income Margin	7.3%	4.2%	13.6%		6.8%

# Non-GAAP Reconciliation

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- First Quarter '16
  - ❑ Free Cash Flow

<i>(Unaudited)</i> <i>(in millions)</i>	<b>Three Months Ended</b> <u>Jan 01, 2016</u>	<b>Three Months Ended</b> <u>Jan 02, 2015</u>
Net cash used in operating activities	<u>\$ (195.3)</u>	<u>\$ (243.8)</u>
Net purchases of property and equipment, client contract investments and other	(89.5)	(125.9)
Free Cash Flow	<u><u>\$ (284.8)</u></u>	<u><u>\$ (369.7)</u></u>