Aramark Business Review

May 5, 2020

aramark

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 and with respect to, without limitation, the impact of COVID-19 on our business, financial performance and operating results, anticipated effects of our adoption of new accounting standards, the expected impact of strategic portfolio actions, the benefits and costs of our acquisitions of each of Avendra, LLC ("Avendra") and AmeriPride Services, Inc. ("AmeriPride"), as well as statements regarding these companies' services and products and statements 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 or remain or continue to be confident," "have confidence," "estimate," "expect," "will be," "will continue," "will likely result," "project," "intend," "plan," "believe," "see," "look to" 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, financial results and our estimated benefits and costs of our acquisitions 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 or the costs and benefits of the acquisitions include without limitation: the severity and duration of the COVID-19 pandemic, the pandemic’s impact on the U.S. and global economies, including particularly the client sectors we serve, and governmental responses to the pandemic; unfavorable economic conditions; natural disasters, global calamities, pandemics, sports strikes and other adverse incidents; the failure to retain current clients, renew existing client contracts and obtain new client contracts; the manner and timing of benefits we expect to receive under the CARES Act; 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; our ability to successfully integrate the businesses of Avendra and AmeriPride and costs and timing related thereto; the risk of unanticipated restructuring costs or assumption of undisclosed liabilities; the risk that we are unable to achieve the anticipated benefits (including tax benefits) and synergies of the acquisition of AmeriPride and Avendra including whether the transactions will be accretive and within the expected timeframes; the availability of sufficient cash to repay certain indebtedness and our decision to utilize the cash for that purpose; 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; a cybersecurity incident or other disruptions in the availability of our computer systems or privacy breaches; failure to maintain effective internal controls; our leverage, including our recent significantly increased borrowings the inability to generate sufficient cash to service all of our indebtedness; debt agreements that limit our flexibility in operating our business; our ability to attract new or maintain existing customer and supplier relationships at reasonable cost, our ability to retain key personnel 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, filed with the SEC on November 26, 2019 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.

Key Points of Differentiation in the Current Environment

- ✓ Strong balance sheet with financial flexibility
- ✓ Resilient business with proven track record
- ✓ Low fixed cost, low asset intensity operating model
- ✓ Ability to quickly scale expenses and capital to meet demand
- ✓ Highly diversified portfolio with long-term contracts
- ✓ Critical services delivering safety and hygiene
- ✓ Fully prepared to help enable and perform strongly in the recovery

Overview of Our COVID-19 Responses To Date

Expense Reduction

- Highly variable cost base, able to be scaled to the environment
  - Near-term drop through of ~20% of any corresponding revenue decline with flexibility to drive even lower to ~15% as future market conditions warrant
- Renegotiation of client contracts; salary and other compensation adjustments; reductions to corporate expenses

Liquidity

- Increased cash availability; fully drew down $1 billion revolver in quarter and issued $1.5 billion Senior Notes in April
- Ample room under amended credit agreement covenants with no significant maturities until 2023
- Actions in place to optimize working capital and defer capital expenditures, as appropriate

Safety

- Utilizing COVID-19 Pandemic Response Plan for responding to client situations
- Intensifying general safety procedures with enhanced sanitation and hygiene
- Assessing and modifying customer-facing services

Stewardship

- Uniforms division manufacturing essential personal protective equipment (PPE)
- "NYC Heroes Fund" providing 300,000+ packages of critical supplies to NYC hospital staff
- Served over 25 million meals across hundreds of K-12 schools
- Donated over 150,000 pounds of food to local organizations

Highly Effective Model Across Market Conditions

1 Normalized Conditions

Structural diversification

- Extensive offerings, sectors, geographies and clients

Mission-critical partner

- Difficult to replace or convert to self-op
- Essential to client revenue generation and customer / employee satisfaction
- End customer demand driven by basic consumption

2 COVID-19

Flexible operating model

- Low fixed cost, highly variable model
- Adjust labor dynamically to meet demand
- Resilient performance in less impacted sectors

Increased financial flexibility

- Significant available liquidity
- No near-term maturities
- Aggressive cost and capital management

3 Recovery

Increased opportunity

- Increased demand for safety and hygiene
- Enhanced value placed on execution expertise
- Increased differentiation relative to self-op and smaller competitors

Strategic flexibility

- Strong unit economics
- Ability to scale services quickly to meet demand
- Pursuit of emerging growth opportunities

Well-positioned through stability and scale to proactively manage through the current COVID-19 environment

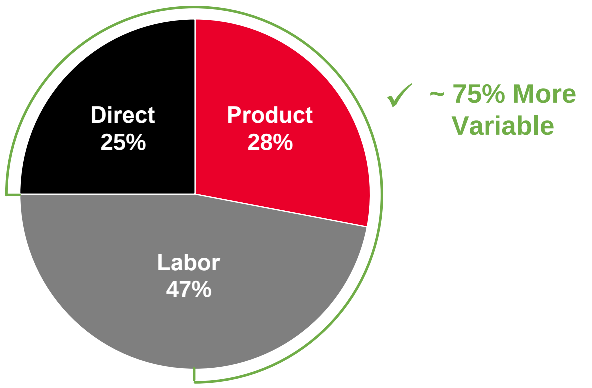
Flexible Cost Base & Low Capital Intensity

We believe the combination of our flexible financial model, actions we have taken, and available liquidity will allow us to operate through this environment for an extended period, and prepare us for success when the economy normalizes

Cost of Services Provided

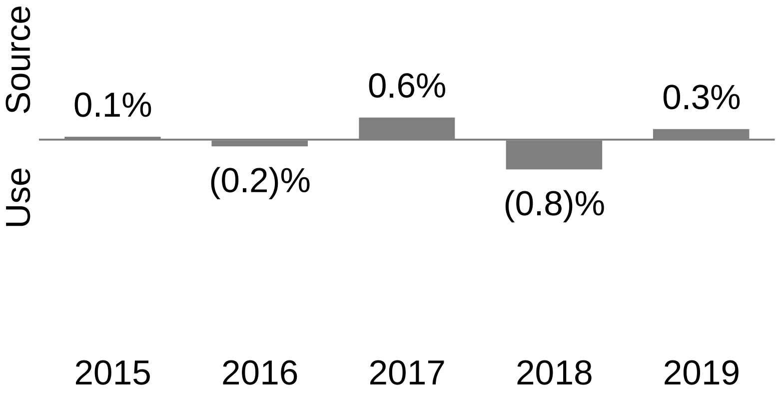
- Variable cost structure to be adjusted to operating environment
- Initiated cost mitigation actions at the end of the fiscal second quarter

FY19 Cost of Services Provided Components



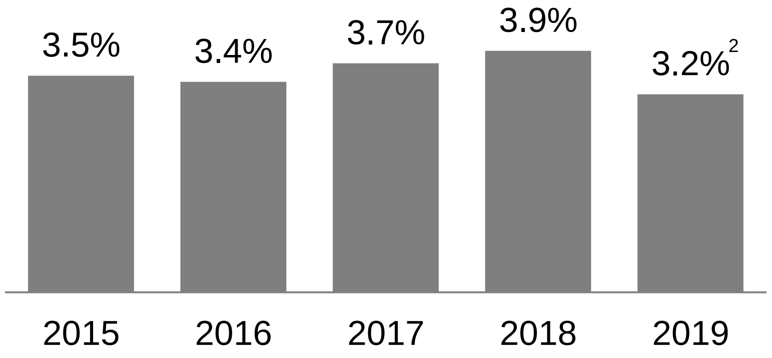
Annual Change in Operating Assets and Liabilities[1] (% of Revenue)

- Working capital requires modest use of cash in normalized environment
- In a declining revenue environment, working capital may be a source of cash



Annual Net Capital Expenditures (% of Revenue)

- Asset light model with limited maintenance capex
- Majority of capex is flexible in timing and amount, and follows from client retention and growth



Note: Fiscal Years end on Friday closest to September 30th.

[1] Operating Assets and Liabilities includes accounts receivable, inventory, prepayments and other current assets, accounts payable and accrued expenses

[2] Cap Ex $525mm = 3.2% of Revenue (Cap Ex = Client Contracts ($40mm) + Purchases PPE ($503mm) – Disposals of PPE ($18mm). Formula reflects accounting change to align results with historical comparison

CapEx and Client Payments as a Percentage of Revenue

	Six Months Ended	
	3/27/2020	3/29/2019
Purchases of property and equipment and other	$ 213,569	$ 230,402
Payments made to clients on contracts	26,355	26,551
	$ 239,924	$ 256,953
Revenue (as reported)	$ 7,985,156	$ 8,265,336
Percentage of Revenue	3.0%	3.1%

COVID-19 Impact on Business Units

Education	• Despite widespread closures, many accounts continue to operate on a limited basis, especially in K-12 • Accelerated end-of-semester summer wind-down while managing costs to appropriate levels
Sports, Leisure & Corrections	• Suspension of professional sports seasons and postponement of concerts and events • Leisure somewhat impacted by closures and restrictions in its parks, attractions and conference centers • Corrections has been relatively stable
Business & Industry	• Office closures and remote working reducing catering and overall volumes • Many businesses (e.g. manufacturing, pharmaceutical) and geographies still require service
Facilities & Other	• Providing more frequent and comprehensive services where enhanced sanitization and deep cleaning required
Healthcare	• Managing heightened needs from increased demand in frontline care
International	• 18 countries with Canada, Chile, China, Germany, Ireland and UK largest; each at different stages of response • China business primarily in Healthcare has largely recovered and won new contracts from containment actions
Uniforms	• Operations continue for essential businesses with an increased focus on hygienic products and services • Shifted certain production lines to manufacture millions of medical masks, scrubs and gowns

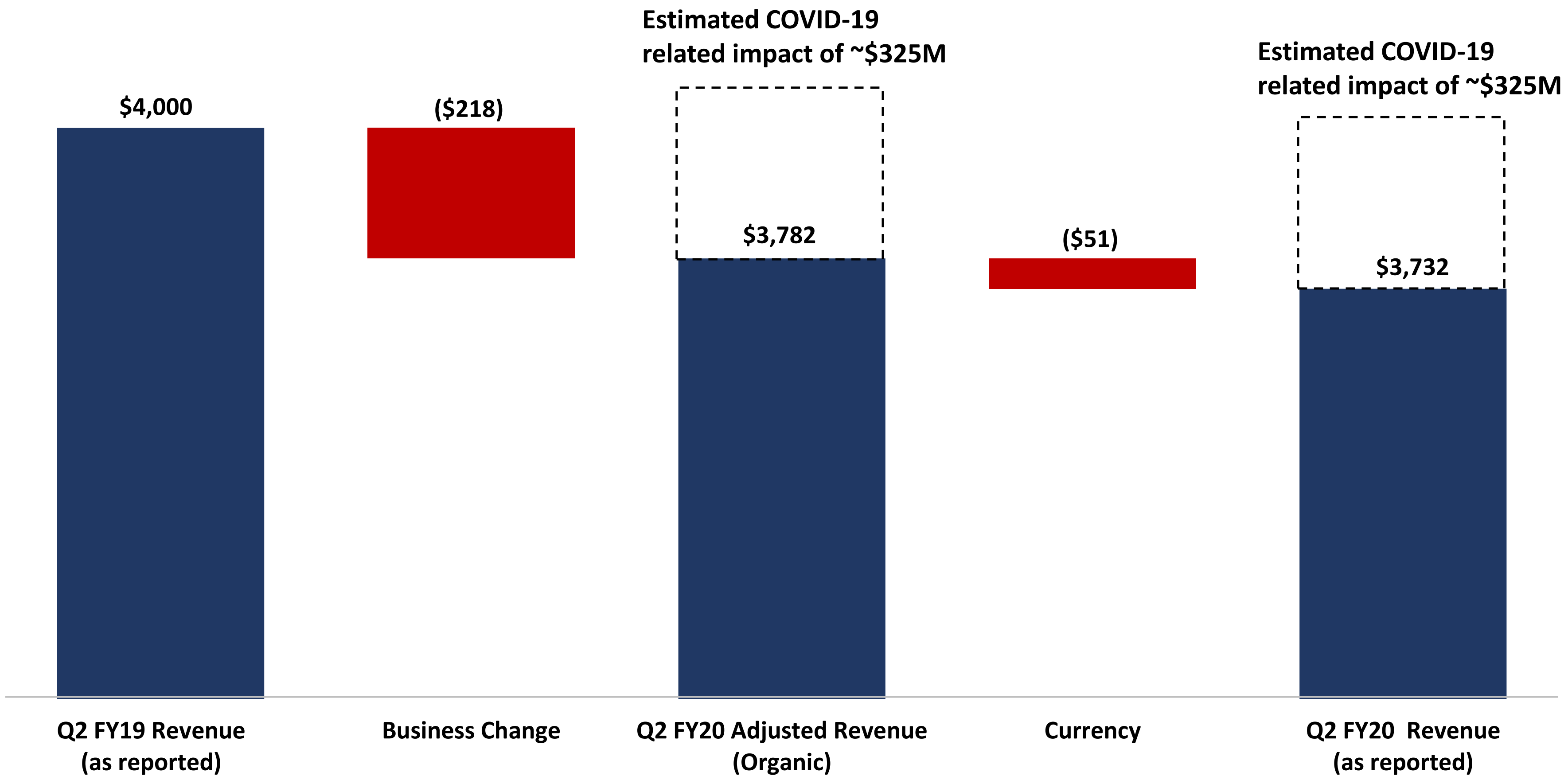
Revenue by Sector

	Three Months Ended		Change	Six Months Ended		Change
	March 27, 2020	March 29, 2019	%	March 27, 2020	March 29, 2019	%
FSS United States:						
Business & Industry	369.2	394.8	-6%	774.7	794.7	-3%
Education	805.5	901.6	-11%	1,806.6	1,917.9	-6%
Healthcare	221.0	221.4	0%	448.2	484.7	-8%
Sports, Leisure & Corrections	444.4	504.7	-12%	1,053.3	1,099.0	-4%
Facilities & Other	391.0	394.5	-1%	787.3	781.0	1%
Total FSS United States	$ 2,231.1	$ 2,417.0	-8%	$ 4,870.1	$ 5,077.3	-4%
FSS International:						
Europe	445.5	512.0	-13%	948.2	1,032.2	-8%
Rest of World	408.0	430.0	-5%	851.5	863.0	-1%
Total FSS International	$ 853.5	$ 942.0	-9%	$ 1,799.7	$ 1,895.2	-5%
Uniform	647.0	641.0	1%	1,315.4	1,292.8	2%
Total Revenue	$ 3,731.6	$ 4,000.0	-7%	$ 7,985.2	$ 8,265.3	-3%

*The numbers above reflect Revenue (as reported) and therefore, by definition, include the impact of currency and divestitures, including Healthcare Technologies reflected in the Healthcare Sector. The chart below shows the Healthcare sector detail excluding the impact of the divestiture of Healthcare Technologies that impacted the first quarter in fiscal year 2019.

Healthcare	Three Months Ended		Change	Six Months Ended		Change
	March 27, 2020	March 29, 2019	%	March 27, 2020	March 29, 2019	%
Revenue (as Reported)	221.0	221.4	0%	448.2	484.7	-8%
Less: Healthcare Technologies	-	-		-	(43.7)	
Revenue excluding HCT	221.0	221.4	0%	448.2	441.0	2%

Q2 Revenue Walk

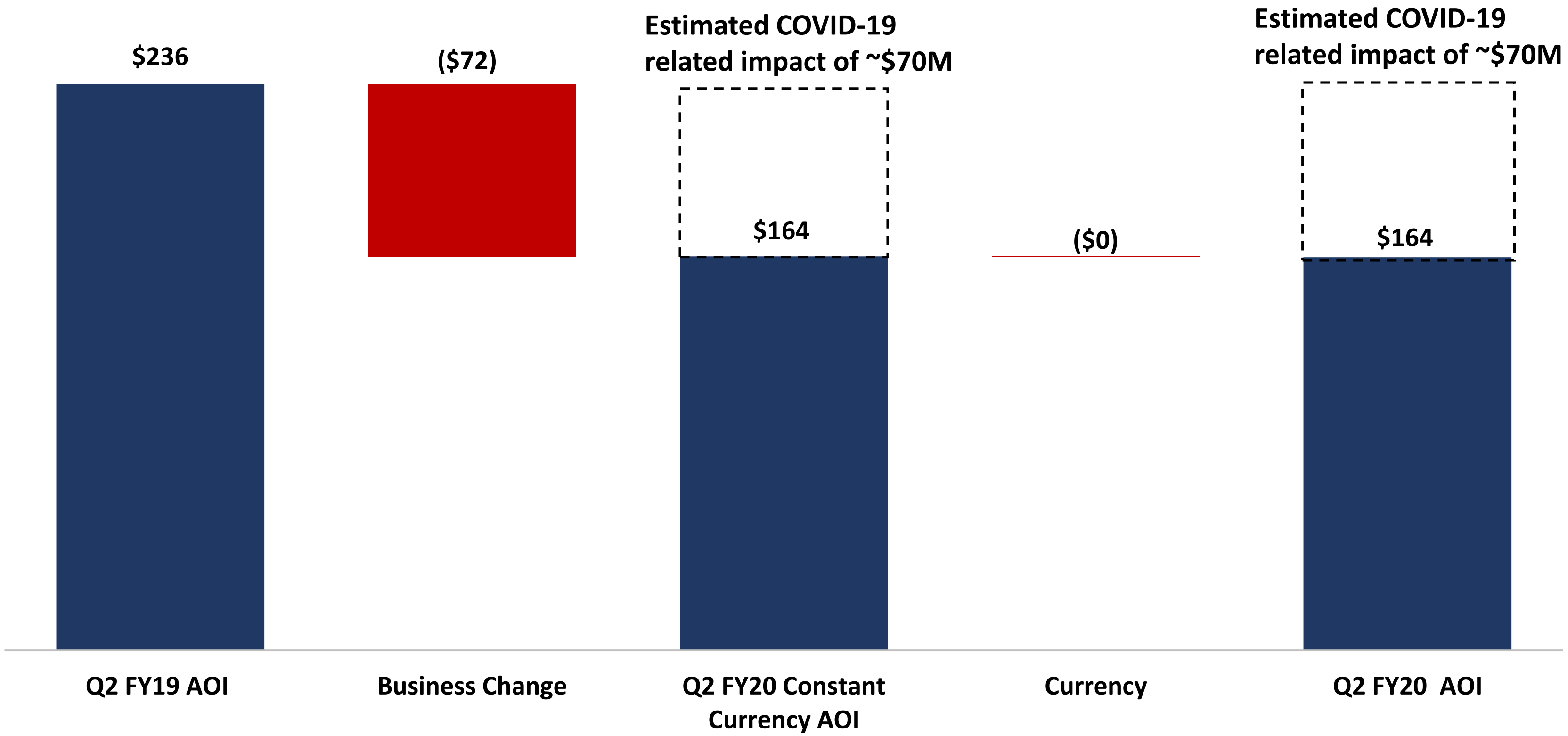


Organic Revenue of (5.4)%

- Reflected an estimated $325 million negative impact related to COVID-19
- Underlying revenue growth across overall business through mid-March

$ represented in millions; May not foot due to rounding

Q2 Adjusted Operating Income Walk

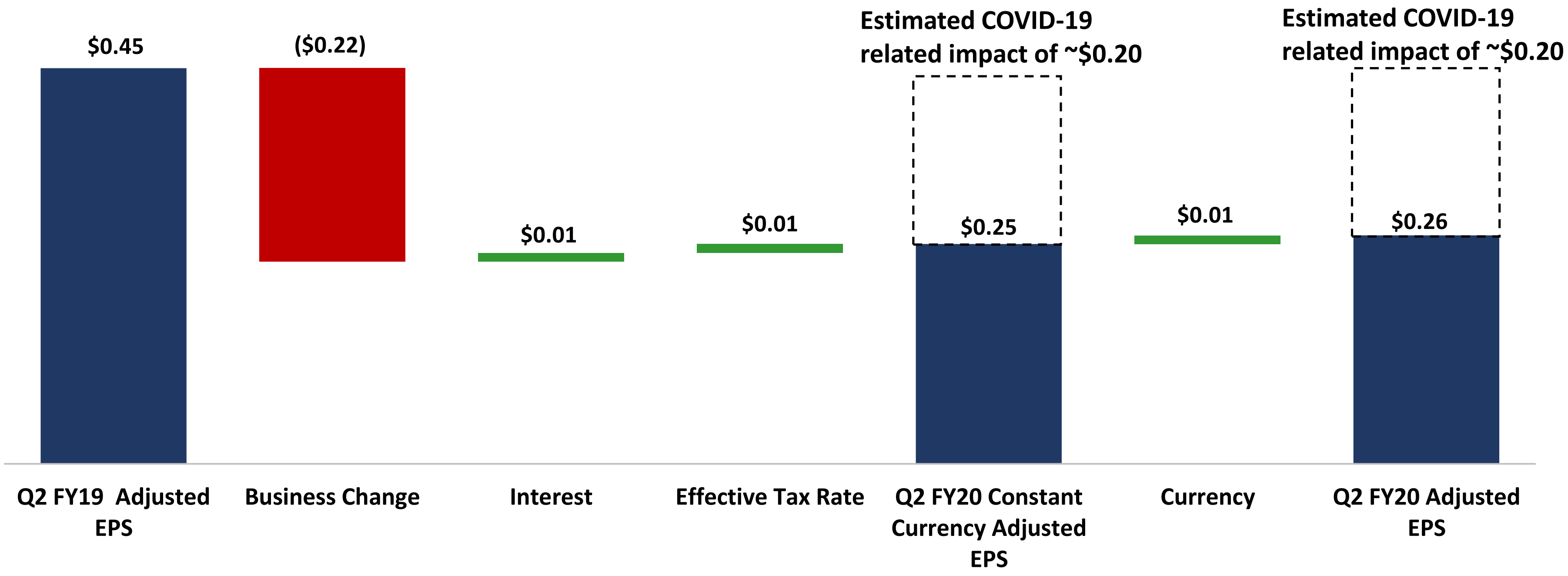


Adjusted Operating Income of (30)%[1]

- Reflected an estimated $70 million negative impact related to COVID-19
- Initiated cost-reduction strategies at the end of the fiscal second quarter in response to COVID-19

$ represented in millions; May not foot due to rounding
[1] Constant Currency

Q2 Adjusted EPS Walk



Adjusted EPS of $0.26

- **Reflected an estimated $0.20 negative impact from the AOI decline related to COVID-19**

Estimate based on $70M AOI impact, 26% effective tax rate guidance pre-COVID, and 254.4 million shares outstanding.

Non-GAAP Reconciliation

Adjusted Revenue (Organic)

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

Adjusted Operating Income

Adjusted Operating Income represents operating (loss) income adjusted to eliminate the change in amortization of acquisition-related intangible assets; the impact of the change in fair value related to certain gasoline and diesel agreements; severance and other charges; the effect of divestitures (including the gain on the sale); merger and integration related charges; asset impairments; tax reform related employee reinvestments 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 (loss) income attributable to Aramark stockholders adjusted to eliminate the change in amortization of acquisition-related intangible assets; the impact of changes in the fair value related to certain gasoline and diesel agreements; severance and other charges; the effect of divestitures (including the gain on the sale); merger and integration related charges; asset impairments; tax reform related employee reinvestments; the tax benefit attributable to the former CEO's equity award exercises; the tax impact related to shareholder contribution; the impact of tax legislation 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.

Adjusted EPS

Adjusted EPS represents Adjusted Net Income divided by diluted weighted average shares outstanding.

Adjusted EPS (Constant Currency)

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

Non-GAAP Reconciliation (cont’d)

Covenant Adjusted EBITDA

Covenant Adjusted EBITDA represents net income attributable to Aramark stockholders adjusted for interest and other financing costs, net; provision for income taxes; depreciation and amortization and certain other items as defined in our debt agreements required in calculating covenant ratios and debt compliance. The Company also uses Net Debt for its ratio to Covenant Adjusted EBITDA, which is calculated as total long-term borrowings less cash and cash equivalents.

Free Cash Flow

Free Cash Flow represents net cash (used in) provided by operating activities less net purchases of property and equipment 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 Revenue (Organic), Adjusted Operating Income (including on a constant currency basis), Adjusted Net Income (including on a constant currency basis), Adjusted EPS (including on a constant currency basis), Covenant Adjusted EBITDA 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 revenue, operating income (loss), net income (loss), or earnings (loss) per share, determined in accordance with GAAP. Adjusted Revenue (Organic), Adjusted Operating Income, Adjusted Net Income, Adjusted EPS, Covenant Adjusted EBITDA 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 March 27, 2020				
	FSS United States	FSS International	Uniform	Corporate	Aramark and Subsidiaries
Revenue (as reported)	$ 2,231,107	$ 853,448	$ 647,004		$ 3,731,559
Operating Income (Loss) (as reported)	$ 65,791	$ (191,179)	$ 46,747	$ (19,035)	$ (97,676)
Operating Income (Loss) Margin (as reported)	2.95 %	(22.40)%	7.23 %		(2.62)%
Revenue (as reported)	$ 2,231,107	$ 853,448	$ 647,004		$ 3,731,559
Effect of Currency Translation	105	50,236	352		50,693
Adjusted Revenue (Organic)	$ 2,231,212	$ 903,684	$ 647,356		$ 3,782,252
Revenue Growth (as reported)	(7.69)%	(9.41)%	0.94 %		(6.71)%
Adjusted Revenue Growth (Organic)	(7.69)%	(4.07)%	1.00 %		(5.44)%
Operating Income (Loss) (as reported)	$ 65,791	$ (191,179)	$ 46,747	$ (19,035)	$ (97,676)
Amortization of Acquisition-Related Intangible Assets	21,262	1,669	6,194	—	29,125
Severance and Other Charges	—	3,647	—	3,247	6,894
Merger and Integration Related Charges	947	165	6,190	—	7,302
Goodwill Impairment	—	198,600	—	—	198,600
Gains, Losses and Settlements impacting comparability	5,828	1,111	—	12,899	19,838
Adjusted Operating Income	$ 93,828	$ 14,013	$ 59,131	$ (2,889)	$ 164,083
Effect of Currency Translation	(92)	429	(1)	—	336
Adjusted Operating Income (Constant Currency)	$ 93,736	$ 14,442	$ 59,130	$ (2,889)	$ 164,419
Operating Income Growth (as reported)	(4.39)%	(556.29)%	22.38 %	27.00 %	(179.52)%
Adjusted Operating Income Growth	(38.49)%	(68.10)%	(8.53)%	88.35 %	(30.57)%
Adjusted Operating Income Growth (Constant Currency)	(38.55)%	(67.13)%	(8.54)%	88.35 %	(30.43)%
Adjusted Operating Income Margin (Constant Currency)	4.20 %	1.60 %	9.13 %		4.35 %

	Three Months Ended March 29, 2019				
	FSS United States	FSS International	Uniform	Corporate	Aramark and Subsidiaries
Revenue (as reported)	$ 2,416,958	$ 942,063	$ 640,966		$ 3,999,987
Operating Income (as reported)	$ 68,815	$ 41,899	$ 38,198	$ (26,077)	$ 122,835
Amortization of Acquisition-Related Intangible Assets	21,184	1,358	6,115	—	28,657
Severance and Other Charges	3,992	—	—	4,418	8,410
Merger and Integration Related Charges	1,186	—	8,477	—	9,663
Gain on sale of Healthcare Technologies	1,000	—	—	—	1,000
Tax Reform Related Employee Reinvestments	51,802	352	11,858	1,443	65,455
Gains, Losses and Settlements impacting comparability	4,567	323	—	(4,579)	311
Adjusted Operating Income	$ 152,546	$ 43,932	$ 64,648	$ (24,795)	$ 236,331
Operating Income Margin (as reported)	2.85 %	4.45 %	5.96 %		3.07 %
Adjusted Operating Income Margin	6.31 %	4.66 %	10.09 %		5.91 %

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

	Six Months Ended March 27, 2020				
	FSS United States	FSS International	Uniform	Corporate	Aramark and Subsidiaries
Revenue (as reported)	$ 4,870,067	$ 1,799,642	$ 1,315,447		$ 7,985,156
Operating Income (Loss) (as reported)	$ 251,745	$ (147,503)	$ 100,057	$ (47,682)	$ 156,617
Operating Income (Loss) Margin (as reported)	5.17 %	(8.20)%	7.61 %		1.96 %
Revenue (as reported)	$ 4,870,067	$ 1,799,642	$ 1,315,447		$ 7,985,156
Effect of Currency Translation	117	87,629	304		88,050
Adjusted Revenue (Organic)	$ 4,870,184	$ 1,887,271	$ 1,315,751		$ 8,073,206
Revenue Growth (as reported)	(4.08)%	(5.04)%	1.75 %		(3.39)%
Adjusted Revenue Growth (Organic)	(3.25)%	(0.42)%	1.77 %		(1.81)%
Operating Income (Loss) (as reported)	$ 251,745	$ (147,503)	$ 100,057	$ (47,682)	$ 156,617
Amortization of Acquisition-Related Intangible Assets	42,516	3,327	12,348	—	58,191
Severance and Other Charges	—	3,647	—	3,247	6,894
Merger and Integration Related Charges	3,311	394	13,661	—	17,366
Goodwill Impairment	—	198,600	—	—	198,600
Tax Reform Related Employee Reinvestments	1,436	—	(13)	—	1,423
Gains, Losses and Settlements impacting comparability	(1,295)	1,111	74	10,890	10,780
Adjusted Operating Income	$ 297,713	$ 59,576	$ 126,127	$ (33,545)	$ 449,871
Effect of Currency Translation	(66)	1,587	(21)	—	1,500
Adjusted Operating Income (Constant Currency)	$ 297,647	$ 61,163	$ 126,106	$ (33,545)	$ 451,371
Operating Income Growth (as reported)	(41.80)%	(376.46)%	10.08 %	40.85 %	(68.44)%
Adjusted Operating Income Growth	(21.74)%	(22.31)%	(3.25)%	42.64 %	(14.96)%
Adjusted Operating Income Growth (Constant Currency)	(21.76)%	(20.24)%	(3.27)%	42.64 %	(14.68)%
Adjusted Operating Income Margin (Constant Currency)	6.11 %	3.24 %	9.58 %		5.59 %

	Six Months Ended March 29, 2019				
	FSS United States	FSS International	Uniform	Corporate	Aramark and Subsidiaries
Revenue (as reported)	$ 5,077,315	$ 1,895,183	$ 1,292,838		$ 8,265,336
Effect of Divestitures	(43,680)	—	—		(43,680)
Adjusted Revenue (Organic)	$ 5,033,635	$ 1,895,183	$ 1,292,838		$ 8,221,656
Operating Income (as reported)	$ 432,566	$ 53,355	$ 90,892	$ (80,616)	$ 496,197
Amortization of Acquisition-Related Intangible Assets	44,428	2,488	12,134	—	59,050
Severance and Other Charges	13,947	17,945	493	10,253	42,638
Effect of Divestitures	(4,003)	—	—	—	(4,003)
Merger and Integration Related Charges	3,282	—	14,990	8	18,280
Gain on sale of Healthcare Technologies	(156,309)	—	—	—	(156,309)
Tax Reform Related Employee Reinvestments	51,802	352	11,858	1,443	65,455
Gains, Losses and Settlements impacting comparability	(5,276)	2,542	—	10,431	7,697
Adjusted Operating Income	$ 380,437	$ 76,682	$ 130,367	$ (58,481)	$ 529,005
Operating Income Margin (as reported)	8.52 %	2.82 %	7.03 %		6.00 %
Adjusted Operating Income Margin	7.56 %	4.05 %	10.08 %		6.43 %

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		Six Months Ended	
	March 27, 2020	March 29, 2019	March 27, 2020	March 29, 2019
Net (Loss) Income Attributable to Aramark Stockholders (as reported)	$ (202,260)	$ 29,353	$ (56,499)	$ 280,037
Adjustment:				
Amortization of Acquisition-Related Intangible Assets	29,125	28,657	58,191	59,050
Severance and Other Charges	6,894	8,410	6,894	42,638
Effect of Divestitures	—	—	—	(4,003)
Merger and Integration Related Charges	7,302	9,663	17,366	18,280
Goodwill Impairment	198,600	—	198,600	—
Gain on sale of Healthcare Technologies	—	1,000	—	(156,309)
Tax Reform Related Employee Reinvestments	—	65,455	1,423	65,455
Gains, Losses and Settlements impacting comparability	19,838	311	10,780	7,697
Effect of Refinancing and Other on Interest and Other Financing Costs, net	20,883	—	20,883	—
Effect of Tax Legislation on Provision for Income Taxes	3,685	(809)	3,685	(12,126)
Tax Impact Related to Shareholder Transactions	(6,206)	—	(18,722)	—
Tax Impact of Adjustments to Adjusted Net Income	(12,874)	(29,240)	(20,898)	(31,342)
Adjusted Net Income	$ 64,987	$ 112,800	$ 221,703	$ 269,377
Effect of Currency Translation, net of Tax	(105)	—	513	—
Adjusted Net Income (Constant Currency)	$ 64,882	$ 112,800	$ 222,216	$ 269,377
(Loss) Earnings Per Share (as reported)				
Net (Loss) Income Attributable to Aramark Stockholders (as reported)	$ (202,260)	$ 29,353	$ (56,499)	$ 280,037
Diluted Weighted Average Shares Outstanding	252,354	250,347	250,543	251,355
	$ (0.80)	$ 0.12	$ (0.23)	$ 1.11
Adjusted Earnings Per Share				
Adjusted Net Income	$ 64,987	$ 112,800	$ 221,703	$ 269,377
Diluted Weighted Average Shares Outstanding	254,443	250,347	254,294	251,355
	$ 0.26	$ 0.45	$ 0.87	$ 1.07
Adjusted Earnings Per Share (Constant Currency)				
Adjusted Net Income (Constant Currency)	$ 64,882	$ 112,800	$ 222,216	$ 269,377
Diluted Weighted Average Shares Outstanding	254,443	250,347	254,294	251,355
	$ 0.25	$ 0.45	$ 0.87	$ 1.07

Non-GAAP Reconciliation

- ## Net Debt to Covenant Adjusted EBITDA

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

	Twelve Months Ended	
	March 27, 2020	March 29, 2019
Net Income Attributable to Aramark Stockholders (as reported)	$ 112,015	$ 528,067
Interest and Other Financing Costs, net	347,238	350,964
Provision for Income Taxes	91,999	87,568
Depreciation and Amortization	589,855	608,098
Share-based compensation expense[(1)]	26,297	88,007
Unusual or non-recurring (gains) and losses[(2)]	198,600	(156,309)
Pro forma EBITDA for equity method investees[(3)]	6,657	13,197
Pro forma EBITDA for certain transactions[(4)]	15,692	(11,055)
Other[(5)]	204,002	185,799
Covenant Adjusted EBITDA	$ 1,592,355	$ 1,694,336
Net Debt to Covenant Adjusted EBITDA		
Total Long-Term Borrowings	$ 7,965,993	$ 7,190,625
Less: Cash and cash equivalents	1,202,964	195,387
Net Debt	$ 6,763,029	$ 6,995,238
Covenant Adjusted EBITDA	$ 1,592,355	$ 1,694,336
Net Debt/Covenant Adjusted EBITDA	4.2	4.1

(1) Represents compensation expense related to the Company's issuances of share-based awards.

(2) Represents non-cash impairment charge related to goodwill.

(3) Represents our estimated share of EBITDA primarily from our AIM Services Co., Ltd. equity method investment, not already reflected in our net income attributable to Aramark stockholders. EBITDA for this equity method investee is calculated in a manner consistent with Covenant Adjusted 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" for the twelve months ended March 27, 2020 and March 29, 2019, respectively, includes expenses related to merger and integration related charges ($35.2 million and $41.3 million), adjustments to remove the impact attributable to the adoption of certain new accounting standards in accordance with the Credit Agreement and indentures ($24.1 million and $10.4 million), compensation expense for retirement contributions and employee training programs funded by benefits from U.S. tax reform ($10.9 million and $65.5 million), the impact of the change in fair value related to certain gasoline and diesel agreements ($9.2 million loss and $4.5 million loss), the impact of hyperinflation in Argentina ($6.0 million and $3.8 million), severance charges ($4.3 million and $19.0 million) and other miscellaneous expenses. "Other" for the twelve months ended March 27, 2020 also includes labor charges, incremental expenses and other expenses associated with closed client locations resulting from the COVID-19 pandemic ($41.1 million), charges related to certain legal settlements ($27.9 million), non-cash impairment charges ($18.9 million), cash compensation charges associated with the retirement of the Company's former chief executive officer ($10.4 million), advisory fees related to shareholder matters ($7.7 million), closing costs mainly related to customer contracts ($7.2 million) and other miscellaneous expenses. "Other" for the twelve months ended March 29, 2019 also includes duplicate rent charges, moving costs, opening costs to build out and ready the Company's new headquarters while occupying its then existing headquarters and closing costs ($13.7 million), banker fees and other charges related to the sale of Healthcare Technologies ($9.9 million), certain environmental charges ($5.0 million), settlement charges related to exiting a joint venture arrangement ($4.5 million) and other miscellaneous expenses.

Non-GAAP Reconciliation

- **Free Cash Flow**

ARAMARK AND SUBSIDIARIES
RECONCILIATION OF NON-GAAP MEASURES
FREE CASH FLOW
(Unaudited)
(In thousands)

	Three Months Ended		Six Months Ended	
	March 27, 2020	March 29, 2019	March 27, 2020	March 29, 2019
Net Cash provided by (used in) operating activities	217,858	292,645	(91,626)	88,983
Net purchases of property and equipment and other	(109,781)	(109,400)	(205,331)	(222,846)
Free Cash Flow	108,077	183,245	(296,957)	(133,863)