

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 or 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended December 30, 2022

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 001-36223



Aramark

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

2400 Market Street

Philadelphia, Pennsylvania

(Address of principal executive offices)

20-8236097

(I.R.S. Employer
Identification Number)

19103

(Zip Code)

(215) 238-3000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on which Registered</u>
Common Stock, par value \$0.01 per share	ARMK	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of January 27, 2023, the number of shares of the registrant's common stock outstanding is 260,512,774.

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Special Note About Forward-Looking Statements

This report contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements reflect our current expectations as to future events based on certain assumptions and include any statement that does not directly relate to any historical or current fact. These statements include, but are not limited to, statements related to our expectations regarding the performance of our business, our financial results, our operations, our liquidity and capital resources, the conditions in our industry and our growth strategy. In some cases, forward-looking statements can be identified by 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. These forward-looking statements are subject to risks and uncertainties that may change at any time, actual results or outcomes may differ materially from those that we expected.

Some of the factors that we believe could affect or continue to affect our results include without limitation: unfavorable economic conditions; natural disasters, global calamities, climate change, pandemics, including the ongoing COVID-19 pandemic, energy shortages, sports strikes and other adverse incidents; geopolitical events including, but not limited to, the ongoing conflict between Russia and Ukraine and its effects on global supply chains, inflation, volatility and disruption of global financial markets; 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; currency risks and other risks associated with international operations, including compliance with a broad range of laws and regulations, including the United States Foreign Corrupt Practices Act; risks associated with suppliers from whom our products are sourced; disruptions to our relationship with our distribution partners; the contract intensive nature of our business, which may lead to client disputes; our expansion strategy and our ability to successfully integrate the businesses we acquire and costs and timing related thereto; continued or further unionization of our workforce; liability resulting from our participation in multiemployer defined benefit pension plans; the inability to hire and retain key or sufficient qualified personnel or increases in labor costs; laws and 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; increases or changes in income tax rates or tax-related laws; environmental regulations; potential liabilities, increased costs, reputational harm, and other adverse effects based on our commitments and stakeholder expectations relating to environmental, social and governance considerations; the failure to maintain food safety throughout our supply chain, food-borne illness concerns and claims of illness or injury; a cybersecurity incident or other disruptions in the availability of our computer systems or privacy breaches; our leverage; variable rate indebtedness that subjects us to interest rate risk; the inability to generate sufficient cash to service all of our indebtedness; debt agreements that limit our flexibility in operating our business; risks associated with the impact, timing or terms of the proposed spin-off of Aramark Uniform Services (our Uniform segment) as an independent publicly traded company to our stockholders (the "proposed spin-off"); risks associated with the expected benefits and costs of the proposed spin-off, including the risk that the expected benefits of the proposed spin-off will not be realized within the expected time frame, in full or at all, and the risk that conditions to the proposed spin-off will not be satisfied and/or that the proposed spin-off will not be completed within the expected time frame, on the expected terms or at all; the expected qualification of the proposed spin-off as a tax-free transaction for United States federal income tax purposes, including whether or not an Internal Revenue Service ruling will be sought or obtained; the risk that any consents or approvals required in connection with the proposed spin-off will not be received or obtained within the expected time frame, on the expected terms or at all; risks associated with expected financing transactions undertaken in connection with the proposed spin-off and risks associated with indebtedness incurred in connection with the proposed spin-off; the risk of increased costs from lost synergies, costs of restructuring transactions and other costs incurred in connection with the proposed spin-off; retention of existing management team members as a result of the proposed spin-off; reaction of customers, our employees and other parties to the proposed spin-off; and the impact of the proposed spin-off on our business and the risk that the proposed spin-off may be more difficult, time-consuming or costly than expected, including the impact on our resources, systems, procedures and controls, diversion of management's attention and the impact on relationships with customers, suppliers, employees and other business counterparties; and other factors set forth under the heading "Part I, Item 2—Management's Discussion and Analysis of Financial Condition and Results of Operations" herein and headings "Part I, Item 1A Risk Factors," "Part I, Item 3 Legal Proceedings" and "Part II, 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 Securities and Exchange Commission ("SEC") on November 22, 2022 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 at www.aramark.com. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included herein 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. Forward-looking statements speak only as of the date made. 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.

PART I

Item 1. Financial Statements

ARAMARK AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

(in thousands, except share amounts)

	December 30, 2022	September 30, 2022
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 305,050	\$ 329,452
Receivables (less allowances: \$56,939 and \$56,388)	2,299,810	2,147,957
Inventories	569,815	552,386
Prepayments and other current assets	260,467	262,195
Total current assets	3,435,142	3,291,990
Property and Equipment, net	2,032,035	2,032,045
Goodwill	5,554,019	5,515,124
Other Intangible Assets	2,090,250	2,113,726
Operating Lease Right-of-use Assets	612,897	592,145
Other Assets	1,566,199	1,537,406
	\$ 15,290,542	\$ 15,082,436
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Current maturities of long-term borrowings	\$ 102,712	\$ 65,047
Current operating lease liabilities	68,550	68,858
Accounts payable	1,092,642	1,322,936
Accrued expenses and other current liabilities	1,420,314	1,829,045
Total current liabilities	2,684,218	3,285,886
Long-Term Borrowings	8,056,256	7,345,860
Noncurrent Operating Lease Liabilities	301,961	305,623
Deferred Income Taxes and Other Noncurrent Liabilities	1,096,563	1,106,587
Commitments and Contingencies (see Note 10)		
Redeemable Noncontrolling Interests	8,281	8,840
Stockholders' Equity:		
Common stock, par value \$0.01 (authorized: 600,000,000 shares; issued: 299,586,124 shares and 297,555,924 shares; and outstanding: 260,370,546 shares and 258,728,942 shares)	2,996	2,976
Capital surplus	3,739,583	3,681,966
Retained earnings	450,249	406,784
Accumulated other comprehensive loss	(83,491)	(111,571)
Treasury stock (shares held in treasury: 39,215,578 shares and 38,826,982 shares)	(966,074)	(950,515)
Total stockholders' equity	3,143,263	3,029,640
	\$ 15,290,542	\$ 15,082,436

The accompanying notes are an integral part of these condensed consolidated financial statements.

ARAMARK AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(in thousands, except per share data)

	Three Months Ended	
	December 30, 2022	December 31, 2021
Revenue	\$ 4,600,998	\$ 3,948,260
Costs and Expenses:		
Cost of services provided (exclusive of depreciation and amortization)	4,162,084	3,571,045
Depreciation and amortization	136,484	135,518
Selling and general corporate expenses	102,784	101,450
	<u>4,401,352</u>	<u>3,808,013</u>
Operating income	199,646	140,247
Interest and Other Financing Costs, net	101,345	93,017
Income Before Income Taxes	98,301	47,230
Provision for Income Taxes	24,650	4,523
Net income	73,651	42,707
Less: Net (loss) income attributable to noncontrolling interests	(500)	96
Net income attributable to Aramark stockholders	<u>\$ 74,151</u>	<u>\$ 42,611</u>
Earnings per share attributable to Aramark stockholders:		
Basic	\$ 0.29	\$ 0.17
Diluted	\$ 0.28	\$ 0.17
Weighted Average Shares Outstanding:		
Basic	259,454	256,470
Diluted	261,414	258,045

The accompanying notes are an integral part of these condensed consolidated financial statements.

ARAMARK AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)
(in thousands)

	Three Months Ended	
	December 30, 2022	December 31, 2021
Net income	\$ 73,651	\$ 42,707
Other comprehensive income, net of tax		
Pension plan adjustments	—	1,779
Foreign currency translation adjustments	34,837	(7,070)
Fair value of cash flow hedges	(6,165)	22,777
Share of equity investee's comprehensive income	(592)	260
Other comprehensive income, net of tax	28,080	17,746
Comprehensive income	101,731	60,453
Less: Net (loss) income attributable to noncontrolling interests	(500)	96
Comprehensive income attributable to Aramark stockholders	\$ 102,231	\$ 60,357

The accompanying notes are an integral part of these condensed consolidated financial statements.

ARAMARK AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(in thousands)

	Three Months Ended	
	December 30, 2022	December 31, 2021
Cash flows from operating activities:		
Net income	\$ 73,651	\$ 42,707
Adjustments to reconcile net income to net cash used in operating activities		
Depreciation and amortization	136,484	135,518
Asset write-downs	23,436	—
Reduction of contingent consideration liability (see Note 12)	(29,941)	—
Deferred income taxes	13,532	(73)
Share-based compensation expense	24,043	24,651
Changes in operating assets and liabilities:		
Accounts Receivable	(115,465)	(148,437)
Inventories	(11,468)	19,597
Prepayments and Other Current Assets	8,775	(5,280)
Accounts Payable	(259,995)	(160,886)
Accrued Expenses	(440,950)	(403,474)
Payments made to clients on contracts	(33,868)	(8,353)
Other operating activities	4,561	643
Net cash used in operating activities	(607,205)	(503,387)
Cash flows from investing activities:		
Purchases of property and equipment and other	(102,559)	(73,722)
Disposals of property and equipment	4,066	8,079
Acquisition of certain businesses, net of cash acquired	(3,505)	(57,028)
Acquisition of certain equity method investments	—	(64,000)
Other investing activities	17,874	9,020
Net cash used in investing activities	(84,124)	(177,651)
Cash flows from financing activities:		
Proceeds from long-term borrowings	301,790	107,523
Payments of long-term borrowings	(26,304)	(19,074)
Net change in funding under the Receivables Facility	395,065	500,000
Payments of dividends	(28,566)	(28,209)
Proceeds from issuance of common stock	29,611	11,710
Other financing activities	(16,330)	(6,993)
Net cash provided by financing activities	655,266	564,957
Effect of foreign exchange rates on cash and cash equivalents	11,661	(1,043)
Decrease in cash and cash equivalents	(24,402)	(117,124)
Cash and cash equivalents, beginning of period	329,452	532,591
Cash and cash equivalents, end of period	\$ 305,050	\$ 415,467

	Three Months Ended	
	December 30, 2022	December 31, 2021
(in millions)		
Interest paid	\$ 113.5	\$ 91.7
Income taxes paid	12.0	12.2

The accompanying notes are an integral part of these condensed consolidated financial statements.

ARAMARK AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(Unaudited)
(in thousands)

	<u>Total Stockholders' Equity</u>	<u>Common Stock</u>	<u>Capital Surplus</u>	<u>Retained Earnings</u>	<u>Accumulated Other Comprehensive Loss</u>	<u>Treasury Stock</u>
Balance, September 30, 2022	\$ 3,029,640	\$ 2,976	\$ 3,681,966	\$ 406,784	\$ (111,571)	\$ (950,515)
Net income attributable to Aramark stockholders	74,151			74,151		
Other comprehensive income	28,080				28,080	
Capital contributions from issuance of common stock	33,594	20	33,574			
Share-based compensation expense	24,043		24,043			
Repurchases of common stock	(15,559)					(15,559)
Payments of dividends (\$0.11 per share)	(30,686)			(30,686)		
Balance, December 30, 2022	<u>\$ 3,143,263</u>	<u>\$ 2,996</u>	<u>\$ 3,739,583</u>	<u>\$ 450,249</u>	<u>\$ (83,491)</u>	<u>\$ (966,074)</u>

	<u>Total Stockholders' Equity</u>	<u>Common Stock</u>	<u>Capital Surplus</u>	<u>Retained Earnings</u>	<u>Accumulated Other Comprehensive Loss</u>	<u>Treasury Stock</u>
Balance, October 1, 2021	\$ 2,722,872	\$ 2,943	\$ 3,533,054	\$ 327,557	\$ (208,011)	\$ (932,671)
Net income attributable to Aramark stockholders	42,611			42,611		
Other comprehensive income	17,746				17,746	
Capital contributions from issuance of common stock	14,084	10	14,074			
Share-based compensation expense	24,651		24,651			
Repurchases of common stock	(7,157)					(7,157)
Payments of dividends (\$0.11 per share)	(30,346)			(30,346)		
Balance, December 31, 2021	<u>\$ 2,784,461</u>	<u>\$ 2,953</u>	<u>\$ 3,571,779</u>	<u>\$ 339,822</u>	<u>\$ (190,265)</u>	<u>\$ (939,828)</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

ARAMARK AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE 1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Aramark (the "Company") is a leading global provider of food, facilities and uniform services to education, healthcare, business & industry and sports, leisure & corrections clients. The Company's core market is the United States, which is supplemented by an additional 18-country footprint. The Company operates its business in three reportable segments that share many of the same operating characteristics: Food and Support Services United States ("FSS United States"), Food and Support Services International ("FSS International") and Uniform and Career Apparel ("Uniform").

The condensed consolidated financial statements included herein have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC") and should be read in conjunction with the audited consolidated financial statements, and the notes to those statements, included in the Company's Form 10-K filed with the SEC on November 22, 2022. The Condensed Consolidated Balance Sheet as of September 30, 2022 was derived from audited financial statements which have been prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP"). Certain information and footnote disclosures normally included in the consolidated financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures made are adequate to make the information not misleading. In the opinion of the Company, the statements include all adjustments, which are of a normal, recurring nature, required for a fair presentation for the periods presented. The results of operations for interim periods are not necessarily indicative of the results for a full year, due to the seasonality of some of the Company's business activities and the possibility of changes in general economic conditions.

The condensed consolidated financial statements include the accounts of the Company and all of its subsidiaries in which a controlling financial interest is maintained. All intercompany transactions and accounts have been eliminated.

Aramark's Intention to Spin-off Uniform Segment

On May 10, 2022, the Company announced its intention to spin-off its Uniform segment into an independent publicly traded company to Aramark's stockholders. The proposed spin-off is intended to be a tax-free transaction to Aramark and its stockholders for United States federal income tax purposes. The proposed spin-off is expected to be completed in the second half of fiscal 2023, subject to certain customary conditions, including final approval of the Aramark Board of Directors, receipt of a favorable opinion and Internal Revenue Service ruling with respect to the tax-free nature of the transaction, the effectiveness of a registration statement on Form 10 to be filed with the SEC and the receipt of other regulatory approvals.

New Accounting Standards Updates*Adopted Standards (from most to least recent date of issuance)*

In December 2022, the Financial Accounting Standards Board ("FASB") issued an accounting standards update ("ASU") which defers the sunset date of Topic 848, *Reference Rate Reform*, to December 31, 2024 from December 31, 2022 and is effective for the Company upon issuance of the ASU. In January 2021, the FASB issued an ASU, which clarified certain optional expedients and exceptions for contract modifications and hedge accounting that may apply to derivatives that are affected by the discontinuance of LIBOR and the reference rate reform standard. In March 2020, the FASB issued an ASU which provided optional expedients that may be applied to assist with the discontinuance of LIBOR. The expedients allow companies to ease the potential accounting burden when modifying contracts and hedging relationships that use LIBOR as a reference rate, if certain criteria are met. During fiscal 2020, the Company applied the optional expedient to assert probability of forecasted hedged transactions occurring on its interest rate swap derivative contracts regardless of any expected contract modifications related to reference rate reform. The Company may apply the optional expedients of this standard through December 31, 2024. The adoption of this guidance did not have a material impact on the condensed consolidated financial statements.

In November 2021, the FASB issued an ASU which requires an entity to provide certain annual disclosures when they have received government assistance. The guidance was effective for the Company in the first quarter of fiscal 2023. The adoption of this guidance did not have a material impact on the condensed consolidated financial statements.

Standards Not Yet Adopted (from most to least recent date of issuance)

In September 2022, the FASB issued an ASU to enhance the transparency of supplier finance programs, which may be referred to as reverse factoring, payables finance or structured payables arrangements. The guidance will require that a buyer in a supplier finance program disclose the program's nature, activity and potential magnitude. The guidance is effective for the Company in the first quarter of fiscal 2024 and early adoption is permitted. The Company is currently evaluating the impact of this standard.

In October 2021, the FASB issued an ASU which required that an entity (acquirer) recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with Accounting Standards Codification 606, *Revenue*

ARAMARK AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

from *Contracts with Customers* ("ASC 606") as if it had originated the contracts. The guidance is effective for the Company in the first quarter of fiscal 2024 and early adoption is permitted. The Company is currently evaluating the impact of this standard.

Other new accounting pronouncements recently issued or newly effective were not applicable to the Company, did not have a material impact on the condensed consolidated financial statements or are not expected to have a material impact on the condensed consolidated financial statements.

Comprehensive Income

Comprehensive income includes all changes to stockholders' equity during a period, except those resulting from investments by and distributions to stockholders. Components of comprehensive income include net income, pension plan adjustments (net of tax), changes in foreign currency translation adjustments (net of tax), changes in the fair value of cash flow hedges (net of tax) and changes to the share of any equity investees' comprehensive (loss) income (net of tax).

The summary of the components of comprehensive income is as follows (in thousands):

	Three Months Ended					
	December 30, 2022			December 31, 2021		
	Pre-Tax Amount	Tax Effect	After-Tax Amount	Pre-Tax Amount	Tax Effect	After-Tax Amount
Net income			\$ 73,651			\$ 42,707
Pension plan adjustments	—	—	—	2,480	(701)	1,779
Foreign currency translation adjustments	37,069	(2,232)	34,837	(8,110)	1,040	(7,070)
Fair value of cash flow hedges	(8,331)	2,166	(6,165)	30,780	(8,003)	22,777
Share of equity investee's comprehensive (loss) income	(592)	—	(592)	260	—	260
Other comprehensive income	28,146	(66)	28,080	25,410	(7,664)	17,746
Comprehensive income			101,731			60,453
Less: Net (loss) income attributable to noncontrolling interests			(500)			96
Comprehensive income attributable to Aramark stockholders			\$ 102,231			\$ 60,357

Accumulated other comprehensive loss consists of the following (in thousands):

	December 30, 2022	September 30, 2022
Pension plan adjustments	\$ (7,210)	\$ (7,210)
Foreign currency translation adjustments	(178,551)	(213,388)
Cash flow hedges	108,560	114,725
Share of equity investee's accumulated other comprehensive loss	(6,290)	(5,698)
	\$ (83,491)	\$ (111,571)

Currency Translation

Beginning in fiscal 2018, Argentina was determined to have a highly inflationary economy. As a result, the Company remeasures the financial statements of Argentina's operations in accordance with the accounting guidance for highly inflationary economies. The impact of foreign currency transaction gains and losses during the three month periods of both fiscal 2023 and 2022 were immaterial to the condensed consolidated financial statements.

Current Assets

The Company insures portions of its risk in general liability, automobile liability, workers' compensation liability and property liability through a wholly owned captive insurance subsidiary (the "Captive"), to enhance its risk financing strategies. The Captive is subject to regulations within its domicile of Bermuda, including regulations established by the Bermuda Monetary Authority (the "BMA") relating to levels of liquidity and solvency as such concepts are defined by the BMA. The Captive was in compliance with these regulations as of December 30, 2022. These regulations may have the effect of limiting the Company's ability to access certain cash and cash equivalents held by the Captive for uses other than for the payment of its general liability, automobile liability, workers' compensation liability, property liability and related Captive costs. As of December 30, 2022 and September 30, 2022, cash and cash equivalents at the Captive were \$34.8 million and \$23.1 million, respectively. During fiscal 2022, the Captive began investing a portion of its cash and cash equivalents in United States Treasury securities to improve returns on the Captive's assets. The amount of this investment as of December 30, 2022 and September 30, 2022 was \$79.1

ARAMARK AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

million and \$78.2 million, respectively, and recorded in "Prepayments and other current assets" on the Condensed Consolidated Balance Sheets.

Property and Equipment and Operating Lease Right-of-use Assets

During December 2022, the Company completed a strategic review of certain administrative locations, taking into account facility capacity and current utilization, among other factors. Based on this review, the Company vacated or otherwise reduced its usage of certain of these locations, resulting in an analysis of the recoverability of the assets associated with the locations. As a result, the Company recorded an impairment charge of \$23.4 million within its FSS United States and Uniform segments, which is included in "Cost of services provided (exclusive of depreciation and amortization)" in the Condensed Consolidated Statements of Income for the three months ended December 30, 2022. Within the FSS United States segment, the non-cash impairment charge consisted of operating lease right-of-use assets (\$7.9 million) and property and equipment (\$10.4 million). Within the Uniform segment, the non-cash impairment charge consisted of operating lease right-of-use assets (\$4.8 million) and other costs (\$0.3 million).

Other Assets

Other assets consist primarily of costs to obtain or fulfill contracts, including employee sales commissions and rental merchandise in-service, long-term receivables, investments in 50% or less owned entities and computer software costs.

For investments in 50% or less owned entities accounted for under the equity method of accounting, the carrying amount as of December 30, 2022 and September 30, 2022 was \$240.3 million and \$224.5 million, respectively.

For investments in 50% or less owned entities, other than those accounted for under the equity method of accounting, the Company measures these investments at cost, less any impairment and adjusted for changes in fair value resulting from observable price changes for an identical or a similar investment of the same issuer due to the lack of readily available fair values related to those investments. The carrying amount of equity investments without readily determinable fair values as of both December 30, 2022 and September 30, 2022 was \$180.5 million.

Other Current and Noncurrent Liabilities

The Company is self-insured for obligations related to certain risks that are retained under the Company's casualty program, which includes general liability, automobile liability and workers' compensation liability, as well as for property liability and employee healthcare benefit programs. Reserves for retained costs associated with the casualty program are estimated through actuarial methods, with the assistance of third-party actuaries, using loss development assumptions based on the Company's claims history.

Impact of COVID-19

The Coronavirus Aid, Relief and Economic Security Act ("CARES Act") provided for deferred payment of the employer portion of social security taxes through the end of calendar 2020, with 50% of the deferred amount due December 31, 2021 and the remaining 50% of the amount due December 31, 2022. Approximately \$64.2 million of the deferred social security taxes were paid during both the three months ended December 30, 2022 and December 31, 2021.

NOTE 2. GOODWILL AND OTHER INTANGIBLE ASSETS:

Goodwill represents the excess of the fair value of consideration paid for an acquired entity over the fair value of assets acquired and liabilities assumed in a business combination. Goodwill is not amortized and is subject to an impairment test that the Company conducts annually or more frequently if a change in circumstances or the occurrence of events indicates that potential impairment exists, using discounted cash flows.

Changes in total goodwill during the three months ended December 30, 2022 are as follows (in thousands):

<u>Segment</u>	<u>September 30, 2022</u>	<u>Acquisitions</u>	<u>Translation</u>	<u>December 30, 2022</u>
FSS United States	\$ 4,150,266	\$ 13,583	\$ 26	\$ 4,163,875
FSS International	401,483	320	24,782	426,585
Uniforms	963,375	—	184	963,559
	<u>\$ 5,515,124</u>	<u>\$ 13,903</u>	<u>\$ 24,992</u>	<u>\$ 5,554,019</u>

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Other intangible assets consist of the following (in thousands):

	December 30, 2022			September 30, 2022		
	Gross Amount	Accumulated Amortization	Net Amount	Gross Amount	Accumulated Amortization	Net Amount
Customer relationship assets	\$ 1,474,574	\$ (517,795)	\$ 956,779	\$ 1,474,588	\$ (487,877)	\$ 986,711
Trade names	1,142,223	(8,752)	1,133,471	1,133,736	(6,721)	1,127,015
	<u>\$ 2,616,797</u>	<u>\$ (526,547)</u>	<u>\$ 2,090,250</u>	<u>\$ 2,608,324</u>	<u>\$ (494,598)</u>	<u>\$ 2,113,726</u>

Amortization of intangible assets for the three months ended December 30, 2022 and December 31, 2021 was approximately \$28.2 million and \$28.9 million, respectively.

NOTE 3. BORROWINGS:

Long-term borrowings, net, are summarized in the following table (in thousands):

	December 30, 2022	September 30, 2022
Senior secured revolving credit facility, due April 2026	\$ 384,301	\$ 90,897
Senior secured term loan facility, due March 2025	1,661,926	1,661,611
Senior secured term loan facility, due April 2026	349,648	334,135
Senior secured term loan facility, due January 2027	834,869	834,619
Senior secured term loan facility, due April 2028	723,472	723,170
5.000% senior notes, due April 2025	548,316	547,981
3.125% senior notes, due April 2025 ⁽¹⁾	346,575	317,204
6.375% senior notes, due May 2025	1,488,704	1,487,593
5.000% senior notes, due February 2028	1,141,839	1,141,491
Receivables Facility, due June 2024	500,000	104,935
Finance leases	152,017	147,373
Other	27,301	19,898
	<u>8,158,968</u>	<u>7,410,907</u>
Less—current portion	(102,712)	(65,047)
	<u>\$ 8,056,256</u>	<u>\$ 7,345,860</u>

(1) This is a Euro denominated borrowing.

As of December 30, 2022, there were approximately \$902.8 million of outstanding foreign currency borrowings.

As of December 30, 2022, the Company had approximately \$791.9 million of availability under the senior secured revolving credit facility.

NOTE 4. DERIVATIVE INSTRUMENTS:

The Company enters into contractual derivative arrangements to manage changes in market conditions related to interest on debt obligations and exposure to fluctuating gasoline and diesel fuel prices. Derivative instruments utilized during the period include interest rate swap agreements and gasoline and diesel fuel agreements. All derivative instruments are recognized as either assets or liabilities on the balance sheet at fair value at the end of each quarter. The counterparties to the Company's contractual derivative agreements are all major international financial institutions. The Company is exposed to credit loss in the event of nonperformance by these counterparties. The Company continually monitors its positions and the credit ratings of its counterparties and does not anticipate nonperformance by the counterparties. For designated hedging relationships, the Company formally documents the hedging relationship and its risk management objective and strategy for undertaking the hedge, the hedging instrument, the hedged item, the nature of the risk being hedged and how the hedging instrument's effectiveness in offsetting the hedged risk will be assessed prospectively and retrospectively for designated hedges. The Company also formally assesses, both at the hedge's inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting cash flows of hedged items.

Cash Flow Hedges

The Company has approximately \$2.0 billion notional amount of outstanding interest rate swap agreements as of December 30, 2022, which fix the rate on a like amount of variable rate borrowings through December of fiscal 2028. During the three months

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ended December 30, 2022, \$1.2 billion notional amount of previously forward starting interest rate swap agreements to hedge the cash flow risk of variability in interest payments on variable rate borrowings became effective. In addition, interest rate swaps with notional amounts of approximately \$1.6 billion matured during the three months ended December 30, 2022.

Changes in the fair value of a derivative that is designated as and meets all the required criteria for a cash flow hedge are recorded in accumulated other comprehensive loss and reclassified into earnings as the underlying hedged item affects earnings. Amounts reported in accumulated other comprehensive loss related to derivatives will be reclassified to interest expense as interest payments are made on the Company's variable-rate debt. As of December 30, 2022 and September 30, 2022, approximately \$108.6 million and \$114.7 million, respectively, of unrealized net of tax gains related to the interest rate swaps were included in "Accumulated other comprehensive loss" on the Condensed Consolidated Balance Sheets.

The following table summarizes the effect of the Company's derivatives designated as cash flow hedging instruments on Other comprehensive income (in thousands):

	Three Months Ended	
	December 30, 2022	December 31, 2021
Interest rate swap agreements	\$ 1,984	\$ 18,326

Derivatives not Designated in Hedging Relationships

The Company entered into a series of pay fixed/receive floating gasoline and diesel fuel agreements based on the Department of Energy weekly retail on-highway index in order to limit its exposure to price fluctuations for gasoline and diesel fuel. As of December 30, 2022, the Company has contracts for approximately 5.5 million gallons outstanding through September of fiscal 2023. The Company does not record its gasoline and diesel fuel agreements as hedges for accounting purposes. The impact on earnings related to the change in fair value of these unsettled contracts was a gain of approximately \$2.0 million for the three months ended December 30, 2022. The impact on earnings related to the change in fair value of these unsettled contracts was a loss of approximately \$1.6 million for the three months ended December 31, 2021. The change in fair value for unsettled contracts is included in "Selling and general corporate expenses" on the Condensed Consolidated Statements of Income. When the contracts settle, the gain or loss is recorded to "Cost of services provided (exclusive of depreciation and amortization)" on the Condensed Consolidated Statements of Income.

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The following table summarizes the location and fair value, using Level 2 inputs (see Note 12 for a description of the fair value levels), of the Company's derivatives designated and not designated as hedging instruments in the Condensed Consolidated Balance Sheets (in thousands):

	Balance Sheet Location	December 30, 2022	September 30, 2022
ASSETS			
<i>Designated as hedging instruments:</i>			
Interest rate swap agreements	Prepayments and other current assets	\$ —	\$ 5,278
Interest rate swap agreements	Other Assets	146,703	149,755
		<u>\$ 146,703</u>	<u>\$ 155,033</u>
LIABILITIES			
<i>Not designated as hedging instruments:</i>			
Gasoline and diesel fuel agreements	Accounts payable	659	2,631
		<u>\$ 659</u>	<u>\$ 2,631</u>

The following table summarizes the location of the (gain) loss reclassified from "Accumulated other comprehensive loss" into earnings for derivatives designated as hedging instruments and the location of the (gain) loss for the Company's derivatives not designated as hedging instruments in the Condensed Consolidated Statements of Income (in thousands):

	Income Statement Location	Three Months Ended	
		December 30, 2022	December 31, 2021
<i>Designated as hedging instruments:</i>			
Interest rate swap agreements	Interest and Other Financing Costs, net	\$ (10,315)	\$ 12,454
<i>Not designated as hedging instruments:</i>			
Gasoline and diesel fuel agreements	Cost of services provided (exclusive of depreciation and amortization) / Selling and general corporate expenses	(2,008)	35
		<u>\$ (12,323)</u>	<u>\$ 12,489</u>

The Company has an outstanding Japanese yen denominated term loan in the amount of ¥8,510.6 million. The term loan was designated as a hedge of the Company's net Japanese currency exposure represented by the equity investment in the Company's Japanese affiliate, AIM Services Co., Ltd. Additionally, the Company has a Euro denominated term loan in the amount of €98.4 million. The term loan was designated as a hedge of the Company's net Euro currency exposure represented by certain holdings in the Company's European affiliates.

At December 30, 2022, the net of tax gain expected to be reclassified from "Accumulated other comprehensive loss" into earnings over the next twelve months based on current market rates is approximately \$45.3 million.

NOTE 5. REVENUE RECOGNITION:

The Company generates revenue through sales of food, facility and uniform services to customers based on written contracts at the locations it serves. Within the FSS United States and FSS International segments, the Company provides food and beverage services, including catering and retail services, and facilities services, including plant operations and maintenance, custodial, housekeeping, landscaping and other services. Within the Uniform segment, the Company provides a full service uniform solution, including delivery, cleaning and maintenance. In accordance with ASC 606, the Company accounts for a customer contract when both parties have approved the arrangement and are committed to perform their respective obligations, each party's rights can be identified, payment terms can be identified, the contract has commercial substance and it is probable the Company will collect substantially all of the consideration to which it is entitled. Revenue is recognized upon the transfer of control of the promised product or service to customers in an amount that reflects the consideration the Company expects to receive in exchange for those goods and services.

Performance Obligations

The Company recognizes revenue when its performance obligation is satisfied. Each contract generally has one performance obligation, which is satisfied over time. The Company primarily accounts for its performance obligations under the series guidance, using the as-invoiced practical expedient when applicable. The Company applies the right to invoice practical expedient to record revenue as the services are provided, given the nature of the services provided and the frequency of billing

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under the customer contracts. Under this practical expedient, the Company recognizes revenue in an amount that corresponds directly with the value to the customer of the Company's performance completed to date and for which the Company has the right to invoice the customer. Certain arrangements include performance obligations which include variable consideration (primarily per transaction fees). For these arrangements, the Company does not need to estimate the variable consideration for the contract and allocate to the entire performance obligation; therefore, the variable fees are recognized in the period they are earned.

Disaggregation of Revenue

The following table presents revenue disaggregated by revenue source (in millions):

	Three Months Ended	
	December 30, 2022	December 31, 2021
FSS United States:		
Business & Industry	\$ 331.5	\$ 230.7
Education	1,003.6	910.0
Healthcare	324.6	296.4
Sports, Leisure & Corrections	784.6	548.1
Facilities & Other	476.7	440.2
Total FSS United States	2,921.0	2,425.4
FSS International:		
Europe	504.2	430.7
Rest of World	488.5	442.5
Total FSS International	992.7	873.2
Uniform	687.3	649.7
Total Revenue	\$ 4,601.0	\$ 3,948.3

Contract Balances

Deferred income is recognized in "Accrued expenses and other current liabilities" on the Condensed Consolidated Balance Sheets when the Company has received consideration, or has the right to receive consideration, in advance of the transfer of the performance obligation of the contract to the customer, primarily prepaid meal plans. The consideration received remains a liability until the goods or services have been provided to the customer. The Company classifies deferred income as current as the arrangement is short term in nature. If the Company cannot render its performance obligation according to contract terms after receiving the consideration in advance, amounts may be contractually required to be refunded to the customer.

During the three months ended December 30, 2022, deferred income increased related to customer prepayments and decreased related to income recognized during the period as a result of satisfying the performance obligation or return of funds related to non-performance. For the three months ended December 30, 2022, the Company recognized \$186.4 million of revenue that was included in deferred income at the beginning of the period. Deferred income balances are summarized in the following table (in millions):

	December 30, 2022	September 30, 2022
Deferred income	\$ 180.3	\$ 324.5

NOTE 6. INCOME TAXES:

As of each reporting date, the Company considers existing evidence, both positive and negative, that could impact the need for valuation allowances against deferred tax assets. During the three months ended December 31, 2021, the Company recorded a benefit to the "Provision for Income Taxes" to the Condensed Consolidated Statements of Income of approximately \$8.5 million for the reversal of a valuation allowance at a foreign subsidiary driven by the Company's ability to utilize the deferred tax asset based on future taxable income expected due to the acquisition of a business.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
NOTE 7. STOCKHOLDERS' EQUITY:

The Company's Board of Directors approved an \$0.11 dividend per share of common stock, payable on March 8, 2023, to stockholders of record on the close of business on February 22, 2023.

The Company has 100.0 million shares of preferred stock authorized, with a par value of \$0.01 per share. At December 30, 2022 and September 30, 2022, zero shares of preferred stock were issued or outstanding.

On December 15, 2022, the Board of Directors approved, and the stockholders of Aramark subsequently adopted by written consent, the Aramark 2023 Stock Incentive Plan to replace the Third Amended and Restated 2013 Stock Incentive Plan. The 2023 Stock Incentive Plan provides for up to 8.5 million of new shares authorized for issuance to participants, in addition to the shares that remained available for issuance under the 2013 Incentive Plan as of December 15, 2022.

NOTE 8. SHARE-BASED COMPENSATION:

The following table summarizes the share-based compensation expense and related information for Time-Based Options ("TBOs"), Retention Time-Based Options ("TBO-Rs"), Time-Based Restricted Stock Units ("RSUs"), Performance Stock Units ("PSUs"), Deferred Stock Units and Employee Stock Purchase Plan ("ESPP") recorded within "Selling and general corporate expenses" on the Condensed Consolidated Statements of Income (in millions).

	Three Months Ended	
	December 30, 2022	December 31, 2021
TBOs	\$ 3.7	\$ 4.4
TBO-Rs	1.9	1.3
RSUs	13.6	15.1
PSUs	2.1	1.6
Deferred Stock Units	0.3	0.5
ESPP	2.4	1.8
	\$ 24.0	\$ 24.7
Taxes related to share-based compensation	\$ 4.2	\$ 4.6
Cash Received from Option Exercises/ESPP Purchases	29.6	11.7
Tax Benefit on Share Deliveries	0.5	0.1

The below table summarizes the number of shares granted and the weighted-average grant-date fair value per unit during the three months ended December 30, 2022:

	Shares Granted (in millions)	Weighted Average Grant- Date Fair Value (dollars per share)
TBOs ⁽¹⁾	0.9	\$ 17.00
RSUs ⁽¹⁾	1.2	\$ 40.29
PSUs ⁽¹⁾⁽²⁾	0.4	\$ 48.79
	2.5	

(1) The Company's annual grants for fiscal 2023 were awarded in November 2022 and will vest based upon continued employment over four years. All TBOs remain exercisable for 10 years from the date of grant.

(2) During the first quarter of fiscal 2023, the Company granted PSUs subject to the level of achievement of adjusted revenue growth, cumulative adjusted earnings per share, return on invested capital and relative total shareholder return for the cumulative performance period over three years and the participant's continued employment with the Company over four years. The Company is accounting for a portion of the award as a performance-based award, with the grant-date fair value based on the fair value of the Company's common stock. The Company is accounting for the remainder of the award as a market-based award valued utilizing the Monte Carlo Simulation pricing model, which calculates multiple potential outcomes for an award and establishes fair value based on the most likely outcome.

NOTE 9. EARNINGS PER SHARE:

Basic earnings per share is computed using the weighted average number of common shares outstanding during the periods presented. Diluted earnings per share is computed using the weighted average number of common shares outstanding adjusted to include the potentially dilutive effect of stock awards.

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The following table sets forth the computation of basic and diluted earnings per share attributable to the Company's stockholders (in thousands, except per share data):

	Three Months Ended	
	December 30, 2022	December 31, 2021
Earnings:		
Net income attributable to Aramark stockholders	\$ 74,151	\$ 42,611
Shares:		
Basic weighted-average shares outstanding	259,454	256,470
Effect of dilutive securities	1,960	1,575
Diluted weighted-average shares outstanding	261,414	258,045
Basic Earnings Per Share:		
Net income attributable to Aramark stockholders	\$ 0.29	\$ 0.17
Diluted Earnings Per Share:		
Net income attributable to Aramark stockholders	\$ 0.28	\$ 0.17

Share-based awards to purchase 9.7 million and 9.5 million shares were outstanding for the three months ended December 30, 2022 and December 31, 2021, respectively, but were not included in the computation of diluted earnings per common share, as their effect would have been antidilutive. In addition, PSUs related to 0.9 million and 1.0 million shares were outstanding for the three months ended December 30, 2022 and December 31, 2021, respectively, but were not included in the computation of diluted earnings per common share, as the performance targets were not yet met.

NOTE 10. COMMITMENTS AND CONTINGENCIES:

Certain of the Company's lease arrangements, primarily vehicle leases, with terms of one to 12 years, contain provisions related to residual value guarantees. The maximum potential liability to the Company under such arrangements was approximately \$27.4 million at December 30, 2022 if the terminal fair value of vehicles coming off lease was zero. Consistent with past experience, management does not expect any significant payments will be required pursuant to these arrangements. No amounts have been accrued for guarantee arrangements at December 30, 2022.

From time to time, the Company and its subsidiaries are a party to various legal actions, proceedings and investigations involving claims incidental to the conduct of their business, including actions by clients, consumers, employees, government entities and third parties, including under federal, state, international, national, provincial and local employment laws, wage and hour laws, discrimination laws, immigration laws, human health and safety laws, import and export controls and customs laws, environmental laws, false claims or whistleblower statutes, minority, women and disadvantaged business enterprise statutes, tax codes, antitrust and competition laws, consumer protection statutes, procurement regulations, intellectual property laws, food safety and sanitation laws, cost and accounting principles, the Foreign Corrupt Practices Act, the U.K. Bribery Act, other anti-corruption laws, lobbying laws, motor carrier safety laws, data privacy and security laws and alcohol licensing and service laws, or alleging negligence and/or breaches of contractual and other obligations. Based on information currently available, advice of counsel, available insurance coverage, established reserves and other resources, the Company does not believe that any such actions are likely to be, individually or in the aggregate, material to its business, financial condition, results of operations or cash flows. However, in the event of unexpected further developments, it is possible that the ultimate resolution of these matters, or other similar matters, if unfavorable, may be materially adverse to the Company's business, financial condition, results of operations or cash flows.

NOTE 11. BUSINESS SEGMENTS:

The Company reports its operating results in three reportable segments: FSS United States, FSS International and Uniform. Corporate includes general expenses not specifically allocated to an individual segment and share-based compensation expense (see Note 8). In the Company's food and support services segments, approximately 73% of the global revenue is related to food services and 27% is related to facilities services. During the three months ended December 30, 2022 and December 31, 2021, the Company received proceeds of approximately \$19.8 million and \$9.0 million, respectively, relating to the recovery of the Company's investment (possessory interest) at one of the National Park Service sites within the FSS United States segment. The Company recorded a gain related to the recovery of its investment, which is included in "Cost of services provided (exclusive of depreciation and amortization)" on the Condensed Consolidated Statements of Income.

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Financial information by segment follows (in millions):

	Three Months Ended	
	December 30, 2022	December 31, 2021
Revenue		
FSS United States	\$ 2,921.0	\$ 2,425.4
FSS International	992.7	873.2
Uniform	687.3	649.7
	<u>\$ 4,601.0</u>	<u>\$ 3,948.3</u>
	Three Months Ended	
	December 30, 2022	December 31, 2021
Operating Income		
FSS United States	\$ 163.2	\$ 99.0
FSS International	26.8	22.7
Uniform	46.5	58.9
Total Segment Operating Income	236.5	180.6
Corporate	(36.9)	(40.4)
Total Operating Income	<u>\$ 199.6</u>	<u>\$ 140.2</u>
	Three Months Ended	
	December 30, 2022	December 31, 2021
Reconciliation to Income Before Income Taxes		
Total Operating Income	\$ 199.6	\$ 140.2
Interest and Other Financing Costs, net	101.3	93.0
Income Before Income Taxes	<u>\$ 98.3</u>	<u>\$ 47.2</u>

NOTE 12. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES:

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Assets and liabilities recorded at fair value are classified based upon the level of judgment associated with the inputs used to measure their fair value. The hierarchical levels related to the subjectivity of the valuation inputs are defined as follows:

- Level 1—inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets
- Level 2—inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument
- Level 3—inputs to the valuation methodology are unobservable and significant to the fair value measurement

Recurring Fair Value Measurements

The Company's financial instruments consist primarily of cash and cash equivalents, accounts receivable, accounts payable, borrowings and derivatives. Management believes that the carrying value of cash and cash equivalents, accounts receivable and accounts payable are representative of their respective fair values. In conjunction with the fair value measurement of the derivative instruments, the Company made an accounting policy election to measure the credit risk of its derivative instruments that are subject to master netting agreements on a net basis by counterparty portfolio, as the gross values would not be materially different. The fair value of the Company's debt at December 30, 2022 and September 30, 2022 was \$8,054.2 million and \$7,153.4 million, respectively. The carrying value of the Company's debt at December 30, 2022 and September 30, 2022 was \$8,159.0 million and \$7,410.9 million, respectively. The fair values were computed using market quotes, if available, or based on discounted cash flows using market interest rates as of the end of the respective periods. The inputs utilized in estimating the fair value of the Company's debt have been classified as Level 2 in the fair value hierarchy levels.

As part of the Union Supply acquisition completed in fiscal 2022, the Company recorded a contingent consideration obligation based on the fair value of the expected payments. The Company performed a fair value assessment of the contingent consideration obligation based on the terms and conditions of the Union Supply purchase agreement, using internal models. The inputs utilized in estimating the fair value of the contingent consideration have been classified as Level 3 in the fair value hierarchy levels and are subject to risk and uncertainty. The calculation of fair value is dependent on several subjective factors including future earnings and profitability. If assumptions or estimates vary from what was expected, the fair value of the

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contingent consideration liability may materially change. The fair value of the contingent consideration liability, which was recorded as part of the acquisition, at both December 30, 2022 and September 30, 2022 was \$40.2 million, respectively.

As part of the Next Level acquisition completed in fiscal 2021, the Company recorded a contingent consideration obligation based on the fair value of the expected payments. The Company performed a fair value assessment of the contingent consideration obligation based on the terms and conditions of the Next Level purchase agreement, as amended, using internal models. The inputs utilized in estimating the fair value of the contingent consideration have been classified as Level 3 in the fair value hierarchy levels and are subject to risk and uncertainty. The calculation of fair value is dependent on several subjective factors including future earnings and profitability. If assumptions or estimates vary from what was expected, the fair value of the contingent consideration liability may materially change. The fair value of the contingent consideration liability at December 30, 2022 and September 30, 2022 was \$18.4 million and \$48.4 million, respectively. During the three months ended December 30, 2022, due to lower performance than expected from inflationary cost pressures and the reduced probability of a prospective business opportunity being awarded during the performance period, the Company adjusted the contingent consideration liability to the fair value of the future expected payment, resulting in income of \$29.9 million, which is included in "Cost of services provided (exclusive of depreciation and amortization)" on the Condensed Consolidated Statements of Income.

NOTE 13. SUBSEQUENT EVENTS:*Sale of Certain Investments*

On February 2, 2023, the Company announced an agreement to sell its 50% equity stake in AIM Services Co., Ltd., a leading Japanese food services company, to Mitsui & Co. for \$535 million. The Company will use the proceeds from the transaction toward debt repayment. The transaction is anticipated to close early in the Company's fiscal third quarter, subject to customary closing conditions and approvals.

Item 2.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The following discussion and analysis of Aramark's (the "Company," "we," "our" and "us") financial condition and results of operations for the three months ended December 30, 2022 and December 31, 2021 should be read in conjunction with our audited consolidated financial statements and the notes to those statements for the fiscal year ended September 30, 2022 included in our Annual Report on Form 10-K, filed with the Securities and Exchange Commission ("SEC") on November 22, 2022.

Our discussion contains forward-looking statements, such as our plans, objectives, opinions, expectations, anticipations, intentions and beliefs, that are based upon our current expectations but that involve risks and uncertainties. Actual results and the timing of events could differ materially from those anticipated in those forward-looking statements as a result of a number of factors, including those described under the heading "Special Note About Forward-Looking Statements" and elsewhere in this Quarterly Report on Form 10-Q. In the following discussion and analysis of financial condition and results of operations, certain financial measures may be considered "non-GAAP financial measures" under SEC rules. These rules require supplemental explanation and reconciliation, which is provided elsewhere in this Quarterly Report on Form 10-Q.

Overview

We are a leading global provider of food, facilities and uniform services to education, healthcare, business & industry and sports, leisure & corrections clients. Our core market is the United States, which is supplemented by an additional 18-country footprint. Through our established brand, broad geographic presence and employees, we anchor our business in our partnerships with thousands of clients. Through these partnerships, we serve millions of consumers including students, patients, employees, sports fans and guests worldwide. We operate our business in three reportable segments: Food and Support Services United States ("FSS United States"), Food and Support Services International ("FSS International") and Uniform and Career Apparel ("Uniform").

Our FSS United States reportable segment operations focus on serving clients in five principal sectors: Business & Industry, Education, Healthcare, Sports, Leisure & Corrections and Facilities & Other. Our FSS International reportable segment provides a similar range of services as those provided to our FSS United States clients. Administrative expenses not allocated to our three reportable segments are presented separately as corporate expenses.

Business Update

Recent global events, including the COVID-19 pandemic ("COVID-19") and the ongoing conflict between Russia and Ukraine, countries in which we do not have direct operations, have adversely affected global economies, disrupted global supply chains and labor force participation and created significant volatility and disruption of financial markets. The ongoing volatility of financial markets caused by these global events, as well as other current global economic factors, have triggered inflation in product and labor costs, have increased market interest rates and have driven significant changes in foreign currencies. The impact on our longer-term operational and financial performance will depend on future developments, including our response and governmental response to inflation, our interest rate hedging strategy and any refinancing activity, the duration and severity of the ongoing volatility of global financial markets and our ability to effectively hire and retain personnel. Some of these future developments are outside of our control and are highly uncertain.

We continue to evaluate and react to the effects of prolonged global economic disruptions, including items such as inflationary pressures on product costs, greater labor challenges and the financial condition of our clients in certain businesses. We expect these challenges to continue throughout fiscal 2023, and we regularly evaluate and react in order to take appropriate actions to mitigate the risk in these areas. This includes proactively managing inflation and global supply chain disruption, through management of operating costs, including supply chain initiatives, and pricing pass-throughs.

In the FSS United States segment, the current environment within each of our sectors is as follows:

- Education – Higher Education saw increased student enrollments, improved presence of staff and more events on campuses, partially offset by the end of universal government-sponsored programs in K-12.
- Sports, Leisure & Corrections – Sports saw increased event pricing and per capita spending with Sports and Leisure having a more robust event calendar. Corrections revenue was led by the Union Supply acquisition and new business wins.
- Business & Industry – Business & Industry saw increased client pricing, higher meal participation rates and increased in-person activity along with new business openings.

- Facilities & Other – Facilities revenue increased as services and frequency expanded, particularly at large client accounts, combined with new business openings.
- Healthcare – Healthcare revenue increased led by ongoing base business growth from vertical sales and greater visitor presence combined with new business openings.

Within the FSS International segment, Europe and Canada continue to increase revenues with consistent new business performance, pricing and volume recovery, especially within the business and industry portfolio. China has seen an impact with the shift from the country's Zero COVID policy, and South America continues to experience strong performance in extractive services.

In the Uniform segment, our business serves a range of clients, focusing on solution-oriented services driving safety and hygiene. The Uniform segment has seen higher revenues as a result of client pricing and increasing levels of client wins in both recurring rental and adjacency services.

Aramark's Intention to Spin-off Uniform Segment

On May 10, 2022, we announced our intention to spin-off our Uniform segment into an independent publicly traded company to our stockholders. The proposed spin-off is intended to be a tax-free transaction to us and our stockholders for United States federal income tax purposes. The proposed spin-off is expected to be completed in the second half of fiscal 2023, subject to certain customary conditions, including final approval of our Board of Directors, receipt of a favorable opinion and Internal Revenue Service ruling with respect to the tax-free nature of the transaction, the effectiveness of a registration statement on Form 10 to be filed with the SEC and the receipt of other regulatory approvals.

Sale of Certain Investments

On February 2, 2023, we announced an agreement to sell our 50% equity stake in AIM Services Co., Ltd., a leading Japanese food services company, to Mitsui & Co. for \$535 million. We will use the proceeds from the transaction toward debt repayment. The transaction is anticipated to close early in our fiscal third quarter, subject to customary closing conditions and approvals.

Seasonality

Our revenue and operating results have varied, and we expect them to continue to vary, from quarter to quarter as a result of different factors. Historically, within our FSS United States segment, there has been a lower level of activity during our first and second fiscal quarters in operations that provide services to sports and leisure clients. This lower level of activity, historically, has been partially offset during our first and second fiscal quarters by the increased activity levels in our educational operations. Conversely, historically there has been a significant increase in the provision of services to sports and leisure clients during our third and fourth fiscal quarters, which is partially offset by the effect of summer recess at colleges, universities and schools in our educational operations. For cash flows, historically there has been cash usage during our first fiscal quarter due to lower activity within our sports and leisure clients as well as payments related to employee incentives. Conversely, historically there has been cash inflows during our fourth fiscal quarter due to an inflow of customer prepayments particularly within our Higher Education business in anticipation of the fall semester and higher activity within our sports and leisure clients. Recently, our business and results of operations have started to resemble our historically typical patterns of seasonality following the disruption caused by COVID-19.

Foreign Currency Fluctuations

The impact from foreign currency translation assumes constant foreign currency exchange rates based on the rates in effect for the prior year period being used in translation for the comparable current year period. We believe that providing the impact of fluctuations in foreign currency rates on certain financial results can facilitate analysis of period-to-period comparisons of business performance.

Fiscal Year

Our fiscal year is the fifty-two or fifty-three week period which ends on the Friday nearest September 30th. The fiscal years ending September 29, 2023 and September 30, 2022 are both fifty-two week periods.

Results of Operations

The following tables present an overview of our results on a consolidated and segment basis with the amount of and percentage change between periods for the three months ended December 30, 2022 and December 31, 2021 (in millions).

	Three Months Ended		Change	
	December 30, 2022	December 31, 2021	\$	%
Revenue	\$ 4,601.0	\$ 3,948.3	\$ 652.7	16.5 %
Costs and Expenses:				
Cost of services provided (exclusive of depreciation and amortization)	4,162.1	3,571.1	591.0	16.6 %
Other operating expenses	239.3	237.0	2.3	1.0 %
	4,401.4	3,808.1	593.3	15.6 %
Operating income	199.6	140.2	59.4	42.4 %
Interest and Other Financing Costs, net	101.3	93.0	8.3	9.0 %
Income Before Income Taxes	98.3	47.2	51.1	108.1 %
Provision for Income Taxes	24.6	4.5	20.1	***
Net income	\$ 73.7	\$ 42.7	\$ 31.0	72.5 %

Revenue by Segment ⁽¹⁾	Three Months Ended		Change	
	December 30, 2022	December 31, 2021	\$	%
FSS United States	\$ 2,921.0	\$ 2,425.4	\$ 495.6	20.4 %
FSS International	992.7	873.2	119.5	13.7 %
Uniform	687.3	649.7	37.6	5.8 %
	\$ 4,601.0	\$ 3,948.3	\$ 652.7	16.5 %

Operating Income by Segment	Three Months Ended		Change	
	December 30, 2022	December 31, 2021	\$	%
FSS United States	\$ 163.2	\$ 99.0	\$ 64.2	64.8 %
FSS International	26.8	22.7	4.1	17.8 %
Uniform	46.5	58.9	(12.4)	(21.0)%
Corporate	(36.9)	(40.4)	3.5	(8.7)%
	\$ 199.6	\$ 140.2	\$ 59.4	42.4 %

*** Not meaningful

(1) As a percentage of total revenue, FSS United States represented 63.5% and 61.4%, FSS International represented 21.6% and 22.1% and Uniform represented 14.9% and 16.5% for the three months ended December 30, 2022 and December 31, 2021, respectively.

Consolidated Overview

Revenue increased by approximately 16.5% during the three month period of fiscal 2023 compared to the prior year period. The increase was primarily attributable to growth in base business and net new business and pricing pass-throughs. In addition, the acquisition of Union Supply, which occurred during the third quarter of fiscal 2022, contributed \$72.3 million during the three month period of fiscal 2023. Foreign currency translation unfavorably impacted revenue for the three month period of fiscal 2023 by 3.3%.

The following table presents the cost of services provided (exclusive of depreciation and amortization) by segment and as a percent of revenue for the three months ended December 30, 2022 and December 31, 2021 (in millions).

Cost of services provided (exclusive of depreciation and amortization)	Three Months Ended			
	December 30, 2022		December 31, 2021	
	\$	% of Revenue	\$	% of Revenue
FSS United States	\$ 2,641.7	90.4 %	\$ 2,215.6	91.3 %
FSS International	945.4	95.2 %	828.4	94.9 %
Uniform	575.0	83.7 %	527.1	81.1 %
	<u>\$ 4,162.1</u>	<u>90.5 %</u>	<u>\$ 3,571.1</u>	<u>90.4 %</u>

The following table presents the percentages attributable to the components in cost of services provided (exclusive of depreciation and amortization) for the three months ended December 30, 2022 and December 31, 2021.

Cost of services provided (exclusive of depreciation and amortization) components	Three Months Ended	
	December 30, 2022	December 31, 2021
Food and support service costs ⁽¹⁾	29.3 %	25.6 %
Personnel costs ⁽²⁾	45.8 %	47.9 %
Other direct costs ⁽³⁾	24.9 %	26.5 %
	<u>100.0 %</u>	<u>100.0 %</u>

(1) Food and support service costs represented a higher proportion of total cost of services provided (exclusive of depreciation and amortization) during the three months ended December 30, 2022 mainly from product cost inflation and volume recovery from COVID-19.

(2) Personnel costs decreased as a percentage of total cost of services provided (exclusive of depreciation and amortization) during the three months ended December 30, 2022 due to food and support service costs increasing at a higher proportion as compared to personnel costs.

(3) Other direct costs represented a lower proportion of total cost of services provided (exclusive of depreciation and amortization) during the three months ended December 30, 2022 driven by the increase in food and support service costs.

Operating income increased by approximately \$59.4 million during the three month period of fiscal 2023 compared to the prior year period driven by base business growth, including from volume recovery from COVID-19, increased pricing and effective cost management. The increase in operating income also benefited from non-cash income related to the reduction of the contingent consideration liability from the earn-out of the Next Level acquisition (\$29.9 million) (see Note 12 to the condensed consolidated financial statements), higher income related to favorable loss experience under our general liability, automotive liability and workers' compensation liability programs when compared to the three month period of fiscal 2022 (approximately \$11.0 million) and a higher gain relating to the recovery of our investment (possessory interest) at one of the National Park Service sites when compared to the three month period of fiscal 2022 (\$10.8 million).

These increases in operating income more than offset increased inflationary costs in product and labor and impairment charges of operating lease right-of-use assets, property and equipment and other costs related to certain real estate properties (\$23.4 million) (see Note 1 to the condensed consolidated financial statements).

Interest and Other Financing Costs, net, increased 9.0% during the three month period of fiscal 2023 compared to the prior year period. The increase was primarily due to higher interest rates related to our senior secured term loan facilities and interest from increased borrowings under the Receivables Facility.

The provision for income taxes for the three month period of fiscal 2023 was recorded at an effective tax rate of 25.1%. The provision for income taxes for the three month period of fiscal 2022 was recorded at an effective tax rate of 9.6%. During the three month period ended December 31, 2021, we recorded an income tax benefit of approximately \$8.5 million for the reversal of a valuation allowance against deferred tax assets within a foreign subsidiary due to an acquisition of a business.

Segment Results

FSS United States Segment

The FSS United States reportable segment consists of five sectors which have similar economic characteristics and comprise a single operating segment. The five sectors of the FSS United States reportable segment are Business & Industry, Education, Healthcare, Sports, Leisure & Corrections and Facilities & Other.

Revenue for each of these sectors are summarized as follows (in millions):

	Three Months Ended		Change
	December 30, 2022	December 31, 2021	%
Business & Industry	\$ 331.5	\$ 230.7	43.7 %
Education	1,003.6	910.0	10.3 %
Healthcare	324.6	296.4	9.5 %
Sports, Leisure & Corrections	784.6	548.1	43.1 %
Facilities & Other	476.7	440.2	8.3 %
	<u>\$ 2,921.0</u>	<u>\$ 2,425.4</u>	20.4 %

Historically, the Healthcare, Education and Facilities & Other sectors generally have high-single digit operating income margins. The Business & Industry and Sports, Leisure & Corrections sectors generally have mid-single digit operating income margins. During the COVID-19 pandemic and in following periods, operating income margins in the FSS United States sectors have differed and continue to differ from our otherwise historical patterns, particularly in the Business & Industry sector.

FSS United States segment revenue increased by approximately 20.4% during the three month period of fiscal 2023 compared to the prior year period. The increase was primarily attributable to base business growth, net new business growth and pricing pass-throughs. The Business & Industry sector increased due to continued steady progress as return-to-office gained momentum across the portfolio along with pricing pass-throughs. The Sports, Leisure & Corrections sector increased due to higher per capita customer spending in stadiums and arenas and the acquisition of Union Supply, which contributed \$72.3 million of revenue during the three month period of fiscal 2023. The Education sector increased due to pricing pass-throughs within Higher Education largely negotiated in early fiscal 2022 partially offset by the end of universal government-sponsored programs in K-12.

Operating income increased by approximately \$64.2 million during the three month period of fiscal 2023 compared to the prior year period. The increase was primarily attributable to growth in base business, increased pricing and effective cost management. The increase also benefited from non-cash income related to the reduction of the contingent consideration liability from the earn-out of the Next Level acquisition (\$29.9 million) (see Note 12 to the condensed consolidated financial statements), higher income related to favorable loss experience under our general liability, automotive liability and workers' compensation liability programs when compared to the three month period of fiscal 2022 (approximately \$11.0 million) and a higher gain relating to the recovery of its investment (possessory interest) at one of the National Park Service sites when compared to the three month period of fiscal 2022 (\$10.8 million). The increase in operating income was partially offset by increased inflationary costs in product and labor and non-cash charges for the impairment of operating lease right-of-use assets and property and equipment related to certain real estate properties (\$18.3 million) (see Note 1 to the condensed consolidated financial statements).

FSS International Segment

FSS International segment revenue increased by approximately 13.7% during the three month period of fiscal 2023 compared to the prior year period. The increase was primarily attributable to base business growth, net new business growth and pricing pass-throughs. The growth in revenue was partially offset by the negative impact of foreign currency translation (13.9%).

Operating income increased by approximately \$4.1 million during the three month period of fiscal 2023 compared to the prior year period. The increase was mainly attributable to growth in base business and increased pricing, which more than offset increased inflationary costs in product and labor, prior year labor related tax credits provided from governmental assistance programs (\$12.2 million), non-cash charges for the impairment of certain assets related to a business held-for-sale (\$5.2 million) and the negative impact of foreign currency translation (approximately \$4.5 million).

Uniform Segment

Uniform segment revenue increased by approximately 5.8% during the three month period of fiscal 2023 compared to the prior year period, primarily due to growth within our uniform rental business and improved pricing.

Operating income decreased by approximately \$12.4 million during the three month period of fiscal 2023 compared to the prior year period. The decrease in operating income was primarily attributable to non-cash charges for the impairment of operating lease right-of-use assets and other costs related to certain real estate properties (\$5.1 million) (see Note 1 to the condensed consolidated financial statements), personnel and other expenses related to our intention to spin-off the Uniform segment (\$3.5 million) and increased inflationary costs in labor and products, which more than offset growth within the uniform rental business and increased pricing.

Corporate

Corporate expenses, those administrative expenses not allocated to the business segments, decreased by approximately \$3.5 million during the three month period of fiscal 2023 compared to the prior year period. The decrease was mainly attributable to the favorable change in fair value of certain gasoline and diesel agreements (\$3.7 million).

Liquidity and Capital Resources**Overview**

Our principal sources of liquidity during the current fiscal year are cash generated from operating activities, funds from borrowings, investments in marketable securities and existing cash on hand. As of December 30, 2022, we had \$305.1 million of cash and cash equivalents and approximately \$791.9 million of availability under our senior secured revolving credit facility. A significant portion of our cash and cash equivalents are held in mature, liquid geographies where we have operations. As of December 30, 2022, there were approximately \$902.8 million of outstanding foreign currency borrowings.

We believe that our cash and cash equivalents, marketable securities and availability under our revolving credit facility will be adequate to meet anticipated cash requirements for the foreseeable future to fund working capital, capital spending, debt service obligations, refinancings, dividends and other cash needs. We have no significant debt maturities due until 2025. We also have flexibility to optimize working capital and defer certain capital expenditures as appropriate without a material impact to the business. We believe that our assumptions used to estimate our liquidity and working capital requirements are reasonable. For additional information regarding the risks associated with our liquidity and capital resources, see Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K filed with the SEC on November 22, 2022.

The table below summarizes our cash activity (in millions):

	Three Months Ended	
	December 30, 2022	December 31, 2021
Net cash used in operating activities	\$ (607.2)	\$ (503.4)
Net cash used in investing activities	(84.1)	(177.7)
Net cash provided by financing activities	655.3	565.0

Reference to the Condensed Consolidated Statements of Cash Flows will facilitate understanding of the discussion that follows.

Cash Flows Used in Operating Activities

Cash used in operating activities was \$607.2 million during the three month period of fiscal 2023, compared to \$503.4 million of cash used in operating activities for the three month period of fiscal 2022. The change was driven from higher use of cash from the change in operating assets and liabilities, which more than offset the impact of having higher net income in the three month period of fiscal 2023 compared to the three month period of fiscal 2022 as discussed in "Results of Operations" above. The \$120.6 million change in operating assets and liabilities compared to the prior year period was primarily due to:

- Accounts payable by \$99.1 million, resulting in a higher use of cash during the three month period of fiscal 2023 compared to the three month period of fiscal 2022 from the timing of disbursements.
- Accrued expenses by \$37.5 million, resulting in a higher use of cash during the three month period of fiscal 2023 compared to the three month period of fiscal 2022 primarily due to the following: higher commission payments in our Sports and Entertainment business in the current year compared to the prior year and higher recognition of deferred income in our Higher Education business; and
- Inventory by \$31.1 million, resulting in a use of cash during the three month period of fiscal 2023 compared to a source of cash during the three month period of fiscal 2022 from growth within our uniform rental business.

These changes in operating assets and liabilities more than offset:

- Receivables by \$33.0 million, resulting in a lower use of cash during the three month period of fiscal 2023 compared to the three month period of fiscal 2022 as the prior year had a higher use of cash from operations returning following the lifting of COVID-19 restrictions. Both periods were impacted by new business and timing of collections.

The three month period of fiscal 2022 included approximately \$24.9 million of proceeds associated with labor related tax credits from the foreign jurisdictions in which we operate as a form of relief from COVID-19. During the three month periods of fiscal 2023 and 2022, we received proceeds of approximately \$15.3 million and \$1.9 million, respectively, related to favorable loss experience in older insurance years under our general liability, automobile liability and workers' compensation liability programs. The higher use of cash during the three month period of fiscal 2023 compared to the three month period of fiscal 2022 in "Payments made to clients on contracts" was driven primarily due to timing and contract renewals. The "Other

operating activities" caption reflects adjustments to net income in the current year and prior year periods related to non-cash gains and losses and adjustments to non-operating cash gains and losses.

Cash Flows Used in Investing Activities

The net cash flows used in investing activities were lower during the three month period of fiscal 2023 compared to the three month period of fiscal 2022 due to the prior year period having a higher level of acquisitions of certain businesses and certain equity method investments, which more than offset higher purchases of property and equipment in the current year. The "Other investing activities" caption includes \$19.8 million and \$9.0 million of proceeds received during the three month period of fiscal 2023 and fiscal 2022, respectively, relating to the recovery of our investment (possessory interest) at one of the National Park Service sites within our Sports, Leisure & Corrections sector.

Cash Flows Provided by Financing Activities

During the three month period of fiscal 2023, cash provided by financing activities was primarily impacted by borrowings under the Receivables Facility (\$395.1 million) and borrowings under the revolving credit facility (\$282.0 million).

During the three month period of fiscal 2022, cash provided by financing activities was primarily impacted by borrowings under the Receivables Facility (\$500.0 million) and borrowings under the revolving credit facility (\$106.0 million).

The "Other financing activities" caption also reflects a use of cash during the three month periods of fiscal 2023 and fiscal 2022 primarily related to taxes paid by us when we withhold shares upon an employee's exercise or vesting of equity awards to cover income taxes.

Covenant Compliance

The Credit Agreement contains a number of covenants that, among other things, restrict, subject to certain exceptions, our ability and the ability of our subsidiaries to: incur additional indebtedness; issue preferred stock or provide guarantees; create liens on assets; engage in mergers or consolidations; sell assets; pay dividends; make distributions or repurchase our capital stock; make investments, loans or advances; repay or repurchase any subordinated debt, except as scheduled or at maturity; create restrictions on the payment of dividends or other amounts to us from our restricted subsidiaries; make certain acquisitions; engage in certain transactions with affiliates; amend material agreements governing our subordinated debt (or any indebtedness that refinances our subordinated debt); and fundamentally change our business. The indentures governing our senior notes contain similar provisions. As of December 30, 2022, we were in compliance with these covenants.

As stated above, the Credit Agreement and the indentures governing our senior notes contain provisions that restrict our ability to pay dividends and repurchase stock (collectively, "Restricted Payments"). In addition to customary exceptions, the Credit Agreement and indentures permit Restricted Payments in the aggregate up to an amount that increases quarterly by 50% of our Consolidated Net Income, as such term is defined in these debt agreements, subject to being in compliance with the interest coverage ratio described below.

Under the Credit Agreement, we are required to satisfy and maintain specified financial ratios and other financial condition tests and covenants. The indentures governing our senior notes also require us to comply with certain financial ratios in order to take certain actions. Our continued ability to meet those financial ratios, tests and covenants can be affected by events beyond our control, and there can be no assurance that we will meet those ratios, tests and covenants.

These financial ratios, tests and covenants involve the calculation of certain measures that we refer to in this discussion as "Covenant Adjusted EBITDA." Covenant Adjusted EBITDA is not a measurement of financial performance under U.S. GAAP. Covenant Adjusted EBITDA is defined as net income of Aramark Services, Inc. ("ASI") and its restricted subsidiaries plus interest and other financing costs, net, provision for income taxes and depreciation and amortization, further adjusted to give effect to adjustments required in calculating covenant ratios and compliance under our Credit Agreement and the indentures governing our senior notes.

Our presentation of these measures 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 U.S. GAAP. You should not consider these measures as alternatives to net income or operating income determined in accordance with U.S. GAAP. Covenant Adjusted EBITDA, as presented by us, may not be comparable to other similarly titled measures of other companies because not all companies use identical calculations.

The following is a reconciliation of net income attributable to ASI stockholder, which is a U.S. GAAP measure of ASI's operating results, to Covenant Adjusted EBITDA as defined in our debt agreements. The terms and related calculations are defined in the Credit Agreement and the indentures governing our senior notes. Covenant Adjusted EBITDA is a measure of

ASI and its restricted subsidiaries only and does not include the results of Aramark.

(in millions)	Twelve Months Ended	
	December 30, 2022	December 31, 2021
Net income attributable to ASI stockholders	\$ 226.0	\$ 33.0
Interest and other financing costs, net	381.1	394.0
Provision for income taxes	81.6	3.4
Depreciation and amortization	533.3	547.6
Share-based compensation expense ⁽¹⁾	94.9	77.4
Unusual or non-recurring losses and (gains) ⁽²⁾⁽³⁾	5.2	(77.1)
Pro forma EBITDA for equity method investees ⁽⁴⁾	8.3	9.7
Pro forma EBITDA for certain transactions ⁽⁵⁾	7.1	7.4
Other ⁽⁶⁾⁽⁷⁾	56.6	47.4
Covenant Adjusted EBITDA	\$ 1,394.1	\$ 1,042.8

- (1) Represents share-based compensation expense resulting from the application of accounting for stock options, restricted stock units, performance stock units, deferred stock unit awards and employee stock purchases (see Note 8 to the condensed consolidated financial statements).
- (2) For the twelve months ended December 30, 2022 represents the fiscal 2023 non-cash charge for the impairment of certain assets related to a business held-for-sale (\$5.2 million).
- (3) For the twelve months ended December 31, 2021 represents the fiscal 2021 non-cash gain from an observable price change on an equity investment (\$137.9 million) and the fiscal 2021 non-cash loss from the termination of certain defined benefit pension plans (\$60.9 million).
- (4) 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 ASI stockholders. EBITDA for this equity method investee is calculated in a manner consistent with consolidated Covenant Adjusted EBITDA but does not represent cash distributions received from this investee.
- (5) Represents the annualizing of net EBITDA from certain acquisitions made during the period.
- (6) "Other" for the twelve months ended December 30, 2022 includes the reversal of a contingent consideration liability related to an acquisition earn out (\$50.7 million), adjustments to remove the impact attributable to the adoption of certain accounting standards that are made to the calculation in accordance with the Credit Agreement and indentures (\$37.2 million), non-cash charges for the impairment of operating lease right-of-use assets and property and equipment related to certain real estate properties (\$23.4 million), non-cash charges for inventory write-downs to net realizable value and fixed asset write-offs related to personal protective equipment (\$20.5 million), severance charges (\$19.6 million), United States and non-United States governmental labor related tax credits resulting from the COVID-19 pandemic (\$16.1 million), charges related to our intention to spin-off the Uniform segment (\$14.3 million), compensation expense related to an acquisition earn out contingent on employees staying until the performance period ends (\$9.9 million), the favorable impact related to a client contract dispute (\$9.6 million), the gain from a funding agreement related to a legal matter (\$6.5 million), the impact of hyperinflation in Argentina (\$4.6 million), the loss from the change in fair value related to certain gasoline and diesel agreements (\$2.7 million), legal settlement charges (\$2.7 million), due diligence charges related to acquisitions (\$2.1 million) and other miscellaneous expenses.
- (7) "Other" for the twelve months ended December 31, 2021 includes non-cash charges for inventory write-downs to net realizable value and for excess inventory related to personal protective equipment (\$31.0 million), adjustments to remove the impact attributable to the adoption of certain accounting standards that are made to the calculation in accordance with the Credit Agreement and indentures (\$26.9 million), expenses related to merger and integration related charges (\$19.2 million), United States and non-United States governmental labor related tax credits resulting from the COVID-19 pandemic, net of labor charges, incremental expenses and other expenses associated with closed or partially closed client locations (\$16.2 million), reversal of severance charges (\$12.4 million), the gain from a funding agreement related to a legal matter (\$10.0 million), a favorable settlement of a legal matter (\$4.7 million), the gain from insurance proceeds received related to property damage from a tornado in Nashville (\$3.1 million), expenses related to the impact of the ice storm in Texas (\$2.5 million), a non-cash charge related to an environmental matter (\$2.5 million), non-cash charges related to information technology assets (\$2.2 million), the impact of hyperinflation in Argentina (\$1.8 million) and other miscellaneous expenses.

Our covenant requirement and actual ratio for the twelve months ended December 30, 2022 are as follows:

	Covenant Requirement	Actual Ratio
Consolidated Secured Debt Ratio ⁽¹⁾	≤ 5.125x	3.12x
Interest Coverage Ratio (Fixed Charge Coverage Ratio) ⁽²⁾	≥ 2.000x	3.70x

- (1) The Credit Agreement requires ASI to maintain a maximum Consolidated Secured Debt Ratio, defined as consolidated total indebtedness secured by a lien to Covenant Adjusted EBITDA, not to exceed 5.125x. Consolidated total indebtedness secured by a lien is defined in the Credit Agreement as total indebtedness consisting of debt for borrowed money, finance leases, debt in respect of sales-leaseback transactions, disqualified and preferred stock and advances under the Receivables Facility secured by a lien reduced by the amount of cash and cash equivalents on the consolidated balance sheet that is free and clear of any lien. Non-compliance with the maximum Consolidated Secured Debt Ratio could result in the requirement to immediately repay all amounts outstanding under the Credit Agreement, which, if ASI's lenders under our Credit Agreement (other than the lenders in respect of ASI's U.S. Term B Loans, which lenders do not benefit from the maximum Consolidated Debt Ratio covenant) failed to waive any such default, would also constitute a default under the indentures governing our senior notes.
- (2) Our Credit Agreement establishes an incurrence-based minimum Interest Coverage Ratio, defined as Covenant Adjusted EBITDA to consolidated interest expense, the achievement of which is a condition for us to incur additional indebtedness and to make certain restricted payments. If we do not maintain this minimum Interest Coverage Ratio calculated on a pro forma basis for any such additional indebtedness or restricted payments, we could be prohibited from being able to (1) incur additional indebtedness, other than the incremental capacity provided for under our Credit Agreement and pursuant to specified exceptions, and (2) make certain restricted payments, other than pursuant to certain exceptions. However, any failure to maintain the minimum Interest Coverage Ratio would not result in a default or an event of default under either the Credit Agreement or the indentures governing the senior notes. The minimum Interest Coverage Ratio is at least 2.000x for the term of the Credit Agreement. Consolidated interest expense is defined in our Credit Agreement as consolidated interest expense excluding interest income, adjusted for acquisitions and dispositions, further adjusted for certain non-cash or nonrecurring interest expense and our estimated share of interest expense from one equity method investee. The indentures governing our senior notes include a similar requirement which is referred to as a Fixed Charge Coverage Ratio.

We and our subsidiaries and affiliates may from time to time, in our sole discretion, purchase, repay, redeem or retire any of our outstanding debt securities (including any publicly issued debt securities), in privately negotiated or open market transactions, by tender offer or otherwise, or extend or refinance any of our outstanding indebtedness.

Supplemental Consolidating Information

Pursuant to Regulation S-X Rule 13-01, which simplifies certain disclosure requirements for guarantors and issuers of guaranteed securities, we are no longer required to provide condensed consolidating financial statements for Aramark and its subsidiaries, including the guarantors and non-guarantors under our Credit Agreement and the indentures governing our senior notes. ASI, the borrower under our Credit Agreement and the indentures governing our senior notes, and its restricted subsidiaries together comprise substantially all of our assets, liabilities and operations, and there are no material differences between the consolidating information related to Aramark and Aramark Intermediate Holdco Corporation, the direct parent of ASI and a guarantor under our Credit Agreement, on the one hand, and ASI and its restricted subsidiaries on a standalone basis, on the other hand.

Other

Our business activities do not include the use of unconsolidated special purpose entities and there are no significant business transactions that have not been reflected in the accompanying condensed consolidated financial statements. We insure portions of our risk in general liability, automobile liability, workers' compensation liability and property liability through a wholly owned captive insurance subsidiary (the "Captive") to enhance our risk financing strategies. The Captive is subject to the regulations within its domicile of Bermuda, including regulations established by the Bermuda Monetary Authority (the "BMA") relating to levels of liquidity and solvency as such concepts are defined by the BMA. The Captive was in compliance with these regulations as of December 30, 2022. These regulations may have the effect of limiting our ability to access certain cash and cash equivalents held by the Captive for uses other than for the payment of our general liability, automobile liability, workers' compensation liability, property liability and related Captive costs. As of December 30, 2022 and September 30, 2022, cash and cash equivalents at the Captive were \$34.8 million and \$23.1 million, respectively. During fiscal 2022, the Captive began investing a portion of its cash and cash equivalents in United States Treasury securities to improve returns on the Captive's

assets. The amount of this investment as of December 30, 2022 and September 30, 2022 was \$79.1 million and \$78.2 million, respectively, and recorded in "Prepayments and other current assets" on the Condensed Consolidated Balance Sheets.

Critical Accounting Policies and Estimates

Our significant accounting policies are described in the notes to the audited consolidated financial statements included in our Annual Report on Form 10-K, filed with the SEC on November 22, 2022. For a more complete discussion of the critical accounting policies and estimates that we have identified in the preparation of our condensed consolidated financial statements, please refer to our Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K, filed with the SEC on November 22, 2022.

In preparing our financial statements, management is required to make estimates and assumptions that, among other things, affect the reported amounts of assets, liabilities, revenue and expenses. These estimates and assumptions are most significant where they involve levels of subjectivity and judgment necessary to account for highly uncertain matters or matters susceptible to change, and where they can have a material impact on our financial condition and operating performance. If actual results were to differ materially from the estimates made, the reported results could be materially affected.

Critical accounting estimates and the related assumptions are evaluated periodically as conditions warrant, and changes to such estimates are recorded as new information or changed conditions require.

New Accounting Standard Updates

See Note 1 to the condensed consolidated financial statements for a full description of recent accounting standard updates, including the expected dates of adoption.

Item 3. Quantitative and Qualitative Disclosure About Market Risk

We are exposed to the impact of interest rate changes and manage this exposure through the use of variable-rate and fixed-rate debt and by utilizing interest rate swaps. We do not enter into contracts for trading purposes and do not use leveraged instruments. The market risk associated with debt obligations as of December 30, 2022 has not materially changed from September 30, 2022 (see Part II, Item 7A "Quantitative and Qualitative Disclosure About Market Risk" in our Annual Report on Form 10-K for the fiscal year ended September 30, 2022 filed with the SEC on November 22, 2022). See Note 3 to the condensed consolidated financial statements related to the changes in our debt levels. See Note 4 to the condensed consolidated financial statements for a discussion of our derivative instruments and Note 12 for the disclosure of the fair value and related carrying value of our debt obligations as of December 30, 2022.

Item 4. Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as that term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this report. Based on that evaluation, management, with the participation of our Chief Executive Officer and Chief Financial Officer, concluded that our disclosure controls and procedures, as of the end of the period covered by this report, are functioning effectively to provide reasonable assurance that the information required to be disclosed by us in reports filed under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and is accumulated and communicated to our management, including our principal executive and principal financial officers, to allow timely decisions regarding required disclosures. A controls system, no matter how well designed and operated, cannot provide absolute assurance that the objectives of the controls system are met and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected. No change in our internal control over financial reporting occurred during our first quarter of fiscal 2023 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II

Item 1. Legal Proceedings

From time to time, we and our subsidiaries are party to various legal actions, proceedings and investigations involving claims incidental to the conduct of our business, including those brought by clients, consumers, employees, government entities and third parties under, among others, federal, state, international, national, provincial and local employment laws, wage and hour laws, discrimination laws, immigration laws, human health and safety laws, import and export controls and customs laws, environmental laws, false claims or whistleblower statutes, minority, women and disadvantaged business enterprise statutes, tax codes, antitrust and competition laws, consumer protection statutes, procurement regulations, intellectual property laws, food safety and sanitation laws, cost and accounting principles, the Foreign Corrupt Practices Act, the U.K. Bribery Act, other anti-corruption laws, lobbying laws, motor carrier safety laws, data privacy and security laws and alcohol licensing and service laws, or alleging negligence and/or breaches of contractual and other obligations. Based on information currently available, advice of counsel, available insurance coverage, established reserves and other resources, we do not believe that any such actions, proceedings or investigations are likely to be, individually or in the aggregate, material to our business, financial condition, results of operations or cash flows. However, in the event of unexpected further developments, it is possible that the ultimate resolution of these matters, or other similar matters, if unfavorable, may be materially adverse to our business, financial condition, results of operations or cash flows.

Our business is subject to various federal, state and local laws and regulations governing, among other things, the generation, handling, storage, transportation, treatment and disposal of water wastes and other substances. We engage in informal settlement discussions with federal, state, local and foreign authorities regarding allegations of violations of environmental laws in connection with our operations or businesses conducted by our predecessors or companies that we have acquired, the aggregate amount of which and related remediation costs we do not believe should have a material adverse effect on our financial condition or results of operations as of December 30, 2022.

Item 1A. Risk Factors

There have been no material changes to the risk factors disclosed in Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended September 30, 2022 filed with the SEC on November 22, 2022.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

None.

Item 6. Exhibits

See the Exhibit Index which is incorporated herein by reference.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on February 7, 2023.

Aramark

By: _____ /s/ CHRISTOPHER T. SCHILLING
Name: Christopher T. Schilling
Title: Senior Vice President, Controller and Chief Accounting Officer
(Principal Accounting Officer and Authorized Signatory)

Exhibit Index

Exhibit No.	Description
4.1*	<u>Third Supplemental Indenture governing the 3.125% Senior Notes due April 2025, dated as of December 16, 2022, among the subsidiary guarantors named therein, each a subsidiary of Aramark Services, Inc., and The Bank of New York Mellon, as trustee.</u>
4.2*	<u>Third Supplemental Indenture governing the 5.000% Senior Notes due April 2025, dated as of December 16, 2022, among the subsidiary guarantors named therein, each a subsidiary of Aramark Services, Inc., and The Bank of New York Mellon, as trustee.</u>
4.3*	<u>Second Supplemental Indenture governing the 6.375% Senior Notes due May 2025, dated as of December 16, 2022, among the subsidiary guarantors named therein, each a subsidiary of Aramark Services, Inc., and U.S. Bank National Association, as trustee.</u>
4.4*	<u>Third Supplemental Indenture governing the 5.000% Senior Notes due February 2028, dated as of December 16, 2022, among the subsidiary guarantors named therein, each a subsidiary of Aramark Services, Inc., and U.S. Bank National Association, as trustee.</u>
10.1*	<u>Joinder Agreement, dated as of November 18, 2022, between each New Subsidiary listed on Schedule I thereto and JPMorgan Chase Bank, N.A., as agent.</u>
10.2	<u>Letter Agreement, dated as of December 2, 2022, by and between Aramark and Lynn B. McKee (incorporated by reference to exhibit 10.1 to Aramark's Current Report on Form 8-K filed with the SEC on December 5, 2022 (file number 001-36223)).</u>
10.3	<u>Aramark 2023 Stock Incentive Plan (incorporated by reference to Appendix A to Aramark's Definitive Proxy Statement filed with the SEC on December 23, 2022, pursuant to the Exchange Act (file number 001-36223)).</u>
31.1*	<u>Certification of John J. Zillmer, Chief Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
31.2*	<u>Certification of Thomas G. Ondrof, Chief Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
32.1*	<u>Certification of John J. Zillmer, Chief Executive Officer, and Thomas G. Ondrof, Chief Financial Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
101	<u>The following financial information from Aramark's Quarterly Report on Form 10-Q for the period ended December 30, 2022 formatted in inline XBRL: (i) Condensed Consolidated Balance Sheets as of December 30, 2022 and September 30, 2022; (ii) Condensed Consolidated Statements of Income for the three months ended December 30, 2022 and December 31, 2021; (iii) Condensed Consolidated Statements of Comprehensive Income for the three months ended December 30, 2022 and December 31, 2021; (iv) Condensed Consolidated Statements of Cash Flows for the three months ended December 30, 2022 and December 31, 2021; (v) Condensed Consolidated Statements of Stockholders' Equity for the three months ended December 30, 2022 and December 31, 2021; and (vi) Notes to condensed consolidated financial statements.</u>
104	Inline XBRL for the cover page of this Quarterly Report on Form 10-Q; included in Exhibit 101 Inline XBRL document set.

* Filed herewith.

The agreements and other documents filed as exhibits to this report are not intended to provide factual information or other disclosure other than with respect to the terms of the agreements or other documents themselves, and should not be relied upon for that purpose. In particular, any representations and warranties made by the Company in these agreements or other documents were made solely within the specific context of the relevant agreement or document and may not describe the actual state of affairs as of the date they were made or at any other time.

The XBRL instance document does not appear in the interactive data file because the XBRL tags are embedded within the inline XBRL document.

THIRD SUPPLEMENTAL INDENTURE

THIS THIRD SUPPLEMENTAL INDENTURE (this “Supplemental Indenture”), dated as of December 16, 2022, among the entities listed in Schedule I hereto (each a “Guaranteeing Subsidiary” and together, the “Guaranteeing Subsidiaries”), each a subsidiary of Aramark Services, Inc., a Delaware corporation (the “Company”), and The Bank of New York Mellon, as trustee (the “Trustee”).

WITNESSETH

WHEREAS, Aramark International Finance S.à r.l., a *société à responsabilité limitée* incorporated under the laws of Luxembourg (the “Issuer”), and a wholly owned subsidiary of the Parent Guarantor and the Company, the Parent Guarantor, the Company and the other Guarantors have heretofore executed and delivered to the Trustee an indenture, dated as of March 27, 2017, as supplemented by that first supplemental indenture, dated as of February 9, 2018 and as further supplemented by that second supplemental indenture, dated as of April 30, 2021 (collectively, the “Indenture”), providing for the issuance of an unlimited aggregate principal amount of the Issuer’s 3.125% Senior Notes due 2025 (the “Notes”);

WHEREAS, the Indenture provides that under certain circumstances each Guaranteeing Subsidiary shall execute and deliver to the Trustee a supplemental indenture pursuant to which such Guaranteeing Subsidiary shall unconditionally guarantee all of the Issuer’s Obligations under the Notes and the Indenture on the terms and conditions set forth herein and under the Indenture (the “Guarantee”); and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

- (1) Capitalized Terms. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.
- (2) Agreement to Guarantee. Each Guaranteeing Subsidiary hereby agrees as follows:
 - (a) Along with all other Guarantors, to jointly and severally unconditionally guarantee to each Holder of a Note authenticated and delivered by the Trustee and to the Trustee and its successors and assigns, irrespective of the validity and enforceability of the Indenture, the Notes or the obligations of the Issuer hereunder or thereunder, that:
 - (i) the principal of, interest and premium and Additional Amounts, if any, on the Notes will be promptly paid in full when due, whether at maturity, by acceleration, redemption or otherwise, and interest on the overdue principal of and interest on the Notes, if any, if lawful, and all other obligations of the Issuer to the Holders or the Trustee hereunder or thereunder will be promptly paid in full or performed, all in accordance with the terms hereof and thereof; and (ii) in case of any extension of time of payment or renewal of any Notes or of any such other obligations, that same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated

maturity, by acceleration or otherwise. Failing payment when due of any amount so guaranteed or any performance so guaranteed for whatever reason, the Guarantors and the Guaranteeing Subsidiaries shall be jointly and severally obligated to pay the same immediately. This is a guarantee of payment and not a guarantee of collection.

(b) The obligations hereunder shall be unconditional, irrespective of the validity, regularity or enforceability of the Notes or the Indenture, the absence of any action to enforce the same, any waiver or consent by any Holder of the Notes with respect to any provisions hereof or thereof, the recovery of any judgment against the Issuer, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor.

(c) The following is hereby waived: diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Issuer, any right to require a proceeding first against the Issuer, protest, notice and all demands whatsoever.

(d) This Guarantee shall not be discharged except by complete performance of the obligations contained in the Notes, the Indenture and this Supplemental Indenture, and each Guaranteeing Subsidiary accepts all obligations of a Guarantor under the Indenture.

(e) If any Holder or the Trustee is required by any court or otherwise to return to the Issuer, the Guarantors (including the Guaranteeing Subsidiaries), or any custodian, trustee, liquidator or other similar official acting in relation to either the Issuer or the Guarantors, any amount paid either to the Trustee or such Holder, this Guarantee, to the extent theretofore discharged, shall be reinstated in full force and effect.

(f) Each Guaranteeing Subsidiary shall not be entitled to any right of subrogation in relation to the Holders in respect of any obligations guaranteed hereby until payment in full of all obligations guaranteed hereby.

(g) As between the Guaranteeing Subsidiaries, on the one hand, and the Holders and the Trustee, on the other hand, (x) the maturity of the obligations guaranteed hereby may be accelerated as provided in Article 6 of the Indenture for the purposes of this Guarantee, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby, and (y) in the event of any declaration of acceleration of such obligations as provided in Article 6 of the Indenture, such obligations (whether or not due and payable) shall forthwith become due and payable by the Guaranteeing Subsidiaries for the purpose of this Guarantee.

(h) Each Guaranteeing Subsidiary shall have the right to seek contribution from any non-paying Guarantor so long as the exercise of such right does not impair the rights of the Holders under this Guarantee.

(i) Pursuant to Section 10.02 of the Indenture, after giving effect to all other contingent and fixed liabilities that are relevant under any applicable Bankruptcy or fraudulent conveyance laws, and after giving effect to any collections from, rights to receive contribution from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor

under Article 10 of the Indenture, this new Guarantee shall be limited to the maximum amount permissible such that the obligations of such Guaranteeing Subsidiary under this Guarantee will not constitute a fraudulent transfer or conveyance.

(j) This Guarantee shall remain in full force and effect and continue to be effective should any petition be filed by or against the Issuer for liquidation, reorganization, should the Issuer become insolvent or make an assignment for the benefit of creditors or should a receiver or trustee be appointed for all or any significant part of the Issuer's assets, and shall, to the fullest extent permitted by law, continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Notes are, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee on the Notes and Guarantee, whether as a "voidable preference," "fraudulent transfer" or otherwise, all as though such payment or performance had not been made. In the event that any payment or any part thereof, is rescinded, reduced, restored or returned, the Note shall, to the fullest extent permitted by law, be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

(k) In case any provision of this Guarantee shall be invalid, illegal or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

(l) This Guarantee shall be a general unsecured senior obligation of such Guaranteeing Subsidiary, ranking *pari passu* with any other future Senior Indebtedness of such Guaranteeing Subsidiary, if any.

(m) Each payment to be made by the Guaranteeing Subsidiaries in respect of this Guarantee shall be made without set-off, counterclaim, reduction or diminution of any kind or nature.

(3) Execution and Delivery. Each Guaranteeing Subsidiary agrees that the Guarantee shall remain in full force and effect notwithstanding the absence of the endorsement of any notation of such Guarantee on the Notes.

(4) Merger, Consolidation or Sale of All or Substantially All Assets.

(a) Except as otherwise provided in Section 5.01(c) of the Indenture, each Guaranteeing Subsidiary may not consolidate or merge with or into or wind up into (whether or not such Guaranteeing Subsidiary is the surviving corporation), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets, in one or more related transactions, to any Person unless:

(i) (A) such Guaranteeing Subsidiary is the surviving corporation or the Person formed by or surviving any such consolidation or merger (if other than such Guaranteeing Subsidiary) or to which such sale, assignment, transfer, lease, conveyance or other disposition will have been made is a corporation, partnership, limited partnership, limited liability company or trust organized or existing under the laws of the jurisdiction of organization of such Guaranteeing Subsidiary, as the case may be, or the laws of the United States, any state thereof, the District of

Columbia, or any territory thereof (such Guaranteeing Subsidiary or such Person, as the case may be, being herein called the “Successor Person”);

(A) the Successor Person, if other than such Guaranteeing Subsidiary, expressly assumes all the obligations of such Guaranteeing Subsidiary under the Indenture and such Guaranteeing Subsidiary’s related Guarantee pursuant to supplemental indentures or other documents or instruments in form reasonably satisfactory to the Trustee;

(B) immediately after such transaction, no Default exists; and

(C) the Company shall have delivered to the Trustee an Officers’ Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer and such supplemental indentures, if any, comply with the Indenture; or

(ii) the transaction is made in compliance with Section 4.10 of the Indenture;

(b) Subject to certain limitations described in the Indenture, the Successor Person will succeed to, and be substituted for, such Guaranteeing Subsidiary under the Indenture and such Guaranteeing Subsidiary’s Guarantee. Notwithstanding the foregoing, such Guaranteeing Subsidiary may merge into or transfer all or part of its properties and assets to another Guarantor, including the Company, or the Issuer.

(5) Releases. The Guarantee of each Guaranteeing Subsidiary shall be automatically and unconditionally released and discharged, and no further action by such Guaranteeing Subsidiary, the Issuer or the Trustee is required for the release of such Guaranteeing Subsidiary’s Guarantee, upon:

(a) (i) any sale, exchange or transfer (by merger or otherwise) of the Capital Stock of such Guaranteeing Subsidiary (including any sale, exchange or transfer), after which such Guaranteeing Subsidiary is no longer a Restricted Subsidiary or all or substantially all the assets of such Guaranteeing Subsidiary which sale, exchange or transfer is made in compliance with the applicable provisions of the Indenture;

(i) the release or discharge of the guarantee by such Guaranteeing Subsidiary of the guarantee which resulted in the creation of the Guarantee, except a discharge or release by or as a result of payment under such guarantee;

(ii) the proper designation of such Guaranteeing Subsidiary as an Unrestricted Subsidiary; or

(iii) the Issuer exercising its Legal Defeasance option or Covenant Defeasance option in accordance with Article 8 of the Indenture or the Issuer’s obligations under the Indenture being discharged in accordance with the terms of the Indenture; and

(b) such Guaranteeing Subsidiary delivering to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent provided for in the Indenture relating to such transaction have been complied with.

(6) No Recourse Against Others. No director, officer, employee, incorporator or stockholder of the Guaranteeing Subsidiaries shall have any liability for any obligations of the Issuer or the Guarantors (including the Guaranteeing Subsidiaries) under the Notes, any Guarantees, the Indenture or this Supplemental Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting Notes waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

(7) Governing Law. THIS SUPPLEMENTAL INDENTURE WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

(8) Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

The words "execution," "signed," "signature," and words of like import in this Supplemental Indenture shall include images of manually executed signatures transmitted by facsimile or other electronic format (including, without limitation, "pdf", "tif" or "jpg") and other electronic signatures (including, without limitation, DocuSign and Adobe Sign or any other electronic process or digital signature provider as specified in writing to the Trustee and agreed to by the Trustee in its sole discretion). The use of electronic signatures and electronic records (including, without limitation, any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based record-keeping system to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act and any other applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act. Anything in this Supplemental Indenture or the Notes to the contrary notwithstanding, each party agrees that for the purposes of the transactions contemplated by this Supplemental Indenture, the Notes and any document to be signed in connection with the Indenture or the Notes (including the Notes and amendments, supplements, waivers, consents and other modifications, Officers' Certificates, Issuer Orders and Opinions of Counsel) or the transactions contemplated hereby may be signed by manual signatures that are scanned, photocopied or faxed or other electronic signatures created on an electronic platform, such as DocuSign, or by digital signature, such as Adobe Sign, (or any other electronic process or digital signature provider as specified in writing to the Trustee and agreed to by the Trustee in its sole discretion), and the keeping of records in electronic form, are hereby authorized, and each shall be of the same legal effect, validity or enforceability as a manually executed signature in ink or the use of a paper-based recordkeeping system, as the case may be.

(9) Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

(10) The Trustee. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture

or for or in respect of the recitals contained herein, all of which recitals are made solely by each Guaranteeing Subsidiary.

(11) Subrogation. Each Guaranteeing Subsidiary shall be subrogated to all rights of Holders of Notes against the Issuer in respect of any amounts paid by such Guaranteeing Subsidiary pursuant to the provisions of Section 2 hereof and Section 10.01 of the Indenture; provided that, if an Event of Default has occurred and is continuing, such Guaranteeing Subsidiary shall not be entitled to enforce or receive any payments arising out of, or based upon, such right of subrogation until all amounts then due and payable by the Issuer under the Indenture or the Notes shall have been paid in full.

(12) Benefits Acknowledged. Each Guaranteeing Subsidiary's Guarantee is subject to the terms and conditions set forth in the Indenture. Each Guaranteeing Subsidiary acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by the Indenture and this Supplemental Indenture and that the guarantee and waivers made by it pursuant to this Guarantee are knowingly made in contemplation of such benefits.

(13) Successors. All agreements of the Guaranteeing Subsidiaries in this Supplemental Indenture shall bind their Successors, except as otherwise provided in Section 2(k) hereof or elsewhere in this Supplemental Indenture. All agreements of the Trustee in this Supplemental Indenture shall bind its successors.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed, all as of the date first above written.

NEXT LEVEL HOSPITALITY SERVICES, LLC

by Aramark Healthcare Support Services, LLC, its sole member

By: /S/ JAMES J. TARANGELO

Name: James J. Tarangelo

Title: Treasurer

NEXT LEVEL PEO, LLC

NLAL HOSPITALITY LLC

NLNC HOSPITALITY LLC

NLPA HOSPITALITY LLC

NLSD HOSPITALITY LLC

by Next Level Hospitality Services, LLC, its sole member

By: /S/ JAMES J. TARANGELO

Name: James J. Tarangelo

Title: Treasurer

UNION SUPPLY GROUP, INC.

UNION SUPPLY COMMISSARY SOLUTIONS, INC.

By: /S/ JAMES J. TARANGELO

Name: James J. Tarangelo

Title: Director

By: S/ THOMAS G. ONDROF

Name: Thomas G. Ondrof

Title: Director

THE BANK OF NEW YORK MELLON, as Trustee

By: /S/ FRANCINE KINCAID

Name: Francine Kincaid

Title: Vice President

[Signature Page to 2025 Euro Notes Supplemental Indenture]

Schedule I
Guaranteeing Subsidiaries

	Entity Name	Jurisdiction
1.	Union Supply Group, Inc.	California
1.	Union Supply Commissary Solutions, Inc.	California
1.	Next Level Hospitality Services, LLC	Delaware
1.	Next Level PEO, LLC	Delaware
1.	NLAL Hospitality, LLC	Delaware
1.	NLNC Hospitality, LLC	Delaware
1.	NLPA Hospitality, LLC	Delaware
1.	NLSD Hospitality, LLC	Delaware

THIRD SUPPLEMENTAL INDENTURE

THIS THIRD SUPPLEMENTAL INDENTURE (this “Supplemental Indenture”), dated as of December 16, 2022, among the entities listed in Schedule I hereto (each a “Guaranteeing Subsidiary” and together, the “Guaranteeing Subsidiaries”), each a subsidiary of Aramark Services, Inc., a Delaware corporation (the “Issuer”), and The Bank of New York Mellon, as trustee (the “Trustee”).

WITNESSETH

WHEREAS, the Issuer, the Parent Guarantor and the other Guarantors have heretofore executed and delivered to the Trustee an indenture, dated as of March 22, 2017, as supplemented by that first supplemental indenture, dated as of February 9, 2018 and as further supplemented by that second supplemental indenture, dated as of April 30, 2021 (collectively, the “Indenture”), providing for the issuance of an unlimited aggregate principal amount of 5.000% Senior Notes due 2025 (the “Notes”);

WHEREAS, the Indenture provides that under certain circumstances each Guaranteeing Subsidiary shall execute and deliver to the Trustee a supplemental indenture pursuant to which such Guaranteeing Subsidiary shall unconditionally guarantee all of the Issuer’s Obligations under the Notes and the Indenture on the terms and conditions set forth herein and under the Indenture (the “Guarantee”); and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

- (1) Capitalized Terms. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.
- (2) Agreement to Guarantee. Each Guaranteeing Subsidiary hereby agrees as follows:
 - (a) Along with all other Guarantors, to jointly and severally unconditionally guarantee to each Holder of a Note authenticated and delivered by the Trustee and to the Trustee and its successors and assigns, irrespective of the validity and enforceability of the Indenture, the Notes or the obligations of the Issuer hereunder or thereunder, that:
 - (i) the principal of, interest and premium, if any, on the Notes will be promptly paid in full when due, whether at maturity, by acceleration, redemption or otherwise, and interest on the overdue principal of and interest on the Notes, if any, if lawful, and all other obligations of the Issuer to the Holders or the Trustee hereunder or thereunder will be promptly paid in full or performed, all in accordance with the terms hereof and thereof; and (ii) in case of any extension of time of payment or renewal of any Notes or of any such other obligations, that same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise. Failing payment when due of any amount so guaranteed or any performance so guaranteed for whatever

reason, the Guarantors and the Guaranteeing Subsidiaries shall be jointly and severally obligated to pay the same immediately. This is a guarantee of payment and not a guarantee of collection.

(b) The obligations hereunder shall be unconditional, irrespective of the validity, regularity or enforceability of the Notes or the Indenture, the absence of any action to enforce the same, any waiver or consent by any Holder of the Notes with respect to any provisions hereof or thereof, the recovery of any judgment against the Issuer, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor.

(c) The following is hereby waived: diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Issuer, any right to require a proceeding first against the Issuer, protest, notice and all demands whatsoever.

(d) This Guarantee shall not be discharged except by complete performance of the obligations contained in the Notes, the Indenture and this Supplemental Indenture, and each Guaranteeing Subsidiary accepts all obligations of a Guarantor under the Indenture.

(e) If any Holder or the Trustee is required by any court or otherwise to return to the Issuer, the Guarantors (including the Guaranteeing Subsidiaries), or any custodian, trustee, liquidator or other similar official acting in relation to either the Issuer or the Guarantors, any amount paid either to the Trustee or such Holder, this Guarantee, to the extent theretofore discharged, shall be reinstated in full force and effect.

(f) Each Guaranteeing Subsidiary shall not be entitled to any right of subrogation in relation to the Holders in respect of any obligations guaranteed hereby until payment in full of all obligations guaranteed hereby.

(g) As between the Guaranteeing Subsidiaries, on the one hand, and the Holders and the Trustee, on the other hand, (x) the maturity of the obligations guaranteed hereby may be accelerated as provided in Article 6 of the Indenture for the purposes of this Guarantee, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby, and (y) in the event of any declaration of acceleration of such obligations as provided in Article 6 of the Indenture, such obligations (whether or not due and payable) shall forthwith become due and payable by the Guaranteeing Subsidiaries for the purpose of this Guarantee.

(h) Each Guaranteeing Subsidiary shall have the right to seek contribution from any non-paying Guarantor so long as the exercise of such right does not impair the rights of the Holders under this Guarantee.

(i) Pursuant to Section 10.02 of the Indenture, after giving effect to all other contingent and fixed liabilities that are relevant under any applicable Bankruptcy or fraudulent conveyance laws, and after giving effect to any collections from, rights to receive contribution from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under Article 10 of the Indenture, this new Guarantee shall be limited to the maximum amount permissible such that the obligations of such Guaranteeing

Subsidiary under this Guarantee will not constitute a fraudulent transfer or conveyance.

(j) This Guarantee shall remain in full force and effect and continue to be effective should any petition be filed by or against the Issuer for liquidation, reorganization, should the Issuer become insolvent or make an assignment for the benefit of creditors or should a receiver or trustee be appointed for all or any significant part of the Issuer's assets, and shall, to the fullest extent permitted by law, continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Notes are, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee on the Notes and Guarantee, whether as a "voidable preference," "fraudulent transfer" or otherwise, all as though such payment or performance had not been made. In the event that any payment or any part thereof, is rescinded, reduced, restored or returned, the Note shall, to the fullest extent permitted by law, be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

(k) In case any provision of this Guarantee shall be invalid, illegal or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

(l) This Guarantee shall be a general unsecured senior obligation of such Guaranteeing Subsidiary, ranking *pari passu* with any other future Senior Indebtedness of such Guaranteeing Subsidiary, if any.

(m) Each payment to be made by the Guaranteeing Subsidiaries in respect of this Guarantee shall be made without set-off, counterclaim, reduction or diminution of any kind or nature.

(3) Execution and Delivery. Each Guaranteeing Subsidiary agrees that the Guarantee shall remain in full force and effect notwithstanding the absence of the endorsement of any notation of such Guarantee on the Notes.

(4) Merger, Consolidation or Sale of All or Substantially All Assets.

(a) Except as otherwise provided in Section 5.01(c) of the Indenture, each Guaranteeing Subsidiary may not consolidate or merge with or into or wind up into (whether or not the Issuer or such Guaranteeing Subsidiary is the surviving corporation), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets, in one or more related transactions, to any Person unless:

(i) (A) such Guaranteeing Subsidiary is the surviving corporation or the Person formed by or surviving any such consolidation or merger (if other than such Guaranteeing Subsidiary) or to which such sale, assignment, transfer, lease, conveyance or other disposition will have been made is a corporation, partnership, limited partnership, limited liability company or trust organized or existing under the laws of the jurisdiction of organization of such Guaranteeing Subsidiary, as the case may be, or the laws of the United States, any state thereof, the District of Columbia, or any territory thereof (such Guaranteeing Subsidiary or such Person, as the case may be, being herein called the "Successor Person");

(A) the Successor Person, if other than such Guaranteeing Subsidiary, expressly assumes all the obligations of such Guaranteeing Subsidiary under the Indenture and such Guaranteeing Subsidiary's related Guarantee pursuant to supplemental indentures or other documents or instruments in form reasonably satisfactory to the Trustee;

(B) immediately after such transaction, no Default exists; and

(C) the Issuer shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer and such supplemental indentures, if any, comply with the Indenture; or

(ii) the transaction is made in compliance with Section 4.10 of the Indenture;

(b) Subject to certain limitations described in the Indenture, the Successor Person will succeed to, and be substituted for, such Guaranteeing Subsidiary under the Indenture and such Guaranteeing Subsidiary's Guarantee. Notwithstanding the foregoing, such Guaranteeing Subsidiary may merge into or transfer all or part of its properties and assets to another Guarantor or the Issuer.

(5) Releases. The Guarantee of each Guaranteeing Subsidiary shall be automatically and unconditionally released and discharged, and no further action by such Guaranteeing Subsidiary, the Issuer or the Trustee is required for the release of such Guaranteeing Subsidiary's Guarantee, upon:

(a) (i) any sale, exchange or transfer (by merger or otherwise) of the Capital Stock of such Guaranteeing Subsidiary (including any sale, exchange or transfer), after which such Guaranteeing Subsidiary is no longer a Restricted Subsidiary or all or substantially all the assets of such Guaranteeing Subsidiary which sale, exchange or transfer is made in compliance with the applicable provisions of the Indenture;

(i) the release or discharge of the guarantee by such Guaranteeing Subsidiary of the guarantee which resulted in the creation of the Guarantee, except a discharge or release by or as a result of payment under such guarantee;

(ii) the proper designation of such Guaranteeing Subsidiary as an Unrestricted Subsidiary; or

(iii) the Issuer exercising its Legal Defeasance option or Covenant Defeasance option in accordance with Article 8 of the Indenture or the Issuer's obligations under the Indenture being discharged in accordance with the terms of the Indenture; and

(b) such Guaranteeing Subsidiary delivering to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent provided for in the Indenture relating to such transaction have been complied with.

(6) No Recourse Against Others. No director, officer, employee, incorporator or stockholder of the Guarantoring Subsidiaries shall have any liability for any obligations of the Issuer or the Guarantors (including the Guarantoring Subsidiaries) under the Notes, any Guarantees, the Indenture or this Supplemental Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting Notes waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

(7) Governing Law. THIS SUPPLEMENTAL INDENTURE WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

(8) Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

The words “execution,” “signed,” “signature,” and words of like import in this Supplemental Indenture shall include images of manually executed signatures transmitted by facsimile or other electronic format (including, without limitation, “pdf”, “tif” or “jpg”) and other electronic signatures (including, without limitation, DocuSign and Adobe Sign or any other electronic process or digital signature provider as specified in writing to the Trustee and agreed to by the Trustee in its sole discretion). The use of electronic signatures and electronic records (including, without limitation, any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based record-keeping system to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act and any other applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act. Anything in this Supplemental Indenture or the Notes to the contrary notwithstanding, each party agrees that for the purposes of the transactions contemplated by this Supplemental Indenture, the Notes and any document to be signed in connection with the Indenture or the Notes (including the Notes and amendments, supplements, waivers, consents and other modifications, Officers’ Certificates, Issuer Orders and Opinions of Counsel) or the transactions contemplated hereby may be signed by manual signatures that are scanned, photocopied or faxed or other electronic signatures created on an electronic platform, such as DocuSign, or by digital signature, such as Adobe Sign, (or any other electronic process or digital signature provider as specified in writing to the Trustee and agreed to by the Trustee in its sole discretion), and the keeping of records in electronic form, are hereby authorized, and each shall be of the same legal effect, validity or enforceability as a manually executed signature in ink or the use of a paper-based recordkeeping system, as the case may be.

(9) Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

(10) The Trustee. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by each Guarantoring Subsidiary.

(11) Subrogation. Each Guarantoring Subsidiary shall be subrogated to all rights of Holders of Notes against the Issuer in respect of any amounts paid by such Guarantoring Subsidiary pursuant to the provisions of Section 2 hereof and Section 10.01

of the Indenture; provided that, if an Event of Default has occurred and is continuing, such Guaranteeing Subsidiary shall not be entitled to enforce or receive any payments arising out of, or based upon, such right of subrogation until all amounts then due and payable by the Issuer under the Indenture or the Notes shall have been paid in full.

(12) Benefits Acknowledged. Each Guaranteeing Subsidiary's Guarantee is subject to the terms and conditions set forth in the Indenture. Each Guaranteeing Subsidiary acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by the Indenture and this Supplemental Indenture and that the guarantee and waivers made by it pursuant to this Guarantee are knowingly made in contemplation of such benefits.

(13) Successors. All agreements of the Guaranteeing Subsidiaries in this Supplemental Indenture shall bind their Successors, except as otherwise provided in Section 2(k) hereof or elsewhere in this Supplemental Indenture. All agreements of the Trustee in this Supplemental Indenture shall bind its successors.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed, all as of the date first above written.

NEXT LEVEL HOSPITALITY SERVICES, LLC

by Aramark Healthcare Support Services, LLC, its sole member

By: /S/ JAMES J. TARANGELO

Name: James J. Tarangelo

Title: Treasurer

NEXT LEVEL PEO, LLC

NLAL HOSPITALITY LLC

NLNC HOSPITALITY LLC

NLPA HOSPITALITY LLC

NLSD HOSPITALITY LLC

by Next Level Hospitality Services, LLC, its sole member

By: /S/ JAMES J. TARANGELO

Name: James J. Tarangelo

Title: Treasurer

UNION SUPPLY GROUP, INC.

UNION SUPPLY COMMISSARY SOLUTIONS, INC.

By: /S/ JAMES J. TARANGELO

Name: James J. Tarangelo

Title: Director

By: S/ THOMAS G. ONDROF

Name: Thomas G. Ondrof

Title: Director

THE BANK OF NEW YORK MELLON, as Trustee

By: /S/ FRANCINE KINCAID

Name: Francine Kincaid

Title: Vice President

[Signature Page to 2025 5.000% Notes Supplemental Indenture]

Schedule I

Guaranteeing Subsidiaries

	Entity Name	Jurisdiction
1.	Union Supply Group, Inc.	California
1.	Union Supply Commissary Solutions, Inc.	California
1.	Next Level Hospitality Services, LLC	Delaware
1.	Next Level PEO, LLC	Delaware
1.	NLAL Hospitality, LLC	Delaware
1.	NLNC Hospitality, LLC	Delaware
1.	NLPA Hospitality, LLC	Delaware
1.	NLSD Hospitality, LLC	Delaware

SECOND SUPPLEMENTAL INDENTURE

THIS SECOND SUPPLEMENTAL INDENTURE (this “Supplemental Indenture”), dated as of December 16, 2022, among the entities listed in Schedule I hereto (each a “Guaranteeing Subsidiary” and together, the “Guaranteeing Subsidiaries”), each a subsidiary of Aramark Services, Inc., a Delaware corporation (the “Issuer”), and U.S. Bank Trust Company, National Association, as successor trustee (the “Trustee”).

WITNESSETH

WHEREAS, the Issuer, the Parent Guarantor and the other Guarantors have heretofore executed and delivered to the Trustee an indenture, dated as of April 27, 2020, as supplemented by that first supplemental indenture, dated as of April 30, 2021 (collectively, the “Indenture”), providing for the issuance of an unlimited aggregate principal amount of 6.375% Senior Notes due 2025 (the “Notes”);

WHEREAS, the Indenture provides that under certain circumstances each Guaranteeing Subsidiary shall execute and deliver to the Trustee a supplemental indenture pursuant to which such Guaranteeing Subsidiary shall unconditionally guarantee all of the Issuer’s Obligations under the Notes and the Indenture on the terms and conditions set forth herein and under the Indenture (the “Guarantee”); and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

(1) Capitalized Terms. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

(2) Agreement to Guarantee. Each Guaranteeing Subsidiary hereby agrees as follows:

(a) Along with all other Guarantors, to jointly and severally unconditionally guarantee to each Holder of a Note authenticated and delivered by the Trustee and to the Trustee and its successors and assigns, irrespective of the validity and enforceability of the Indenture, the Notes or the obligations of the Issuer hereunder or thereunder, that:

(i) the principal of, interest and premium, if any, on the Notes will be promptly paid in full when due, whether at maturity, by acceleration, redemption or otherwise, and interest on the overdue principal of and interest on the Notes, if any, if lawful, and all other obligations of the Issuer to the Holders or the Trustee hereunder or thereunder will be promptly paid in full or performed, all in accordance with the terms hereof and thereof; and

(ii) in case of any extension of time of payment or renewal of any Notes or of any such other obligations, that same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise. Failing payment when due of any amount so guaranteed or any

performance so guaranteed for whatever reason, the Guarantors and the Guaranteeing Subsidiaries shall be jointly and severally obligated to pay the same immediately. This is a guarantee of payment and not a guarantee of collection.

(b) The obligations hereunder shall be unconditional, irrespective of the validity, regularity or enforceability of the Notes or the Indenture, the absence of any action to enforce the same, any waiver or consent by any Holder of the Notes with respect to any provisions hereof or thereof, the recovery of any judgment against the Issuer, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor.

(c) The following is hereby waived: diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Issuer, any right to require a proceeding first against the Issuer, protest, notice and all demands whatsoever.

(d) This Guarantee shall not be discharged except by complete performance of the obligations contained in the Notes, the Indenture and this Supplemental Indenture, and each Guaranteeing Subsidiary accepts all obligations of a Guarantor under the Indenture.

(e) If any Holder or the Trustee is required by any court or otherwise to return to the Issuer, the Guarantors (including the Guaranteeing Subsidiaries), or any custodian, trustee, liquidator or other similar official acting in relation to either the Issuer or the Guarantors, any amount paid either to the Trustee or such Holder, this Guarantee, to the extent theretofore discharged, shall be reinstated in full force and effect.

(f) Each Guaranteeing Subsidiary shall not be entitled to any right of subrogation in relation to the Holders in respect of any obligations guaranteed hereby until payment in full of all obligations guaranteed hereby.

(g) As between the Guaranteeing Subsidiaries, on the one hand, and the Holders and the Trustee, on the other hand, (x) the maturity of the obligations guaranteed hereby may be accelerated as provided in Article 6 of the Indenture for the purposes of this Guarantee, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby, and (y) in the event of any declaration of acceleration of such obligations as provided in Article 6 of the Indenture, such obligations (whether or not due and payable) shall forthwith become due and payable by the Guaranteeing Subsidiaries for the purpose of this Guarantee.

(h) Each Guaranteeing Subsidiary shall have the right to seek contribution from any non-paying Guarantor so long as the exercise of such right does not impair the rights of the Holders under this Guarantee.

(i) Pursuant to Section 10.02 of the Indenture, after giving effect to all other contingent and fixed liabilities that are relevant under any applicable Bankruptcy or fraudulent conveyance laws, and after giving effect to any collections from, rights to receive contribution from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under Article 10 of the Indenture, this new Guarantee shall be limited to the

maximum amount permissible such that the obligations of such Guaranteeing Subsidiary under this Guarantee will not constitute a fraudulent transfer or conveyance.

(j) This Guarantee shall remain in full force and effect and continue to be effective should any petition be filed by or against the Issuer for liquidation, reorganization, should the Issuer become insolvent or make an assignment for the benefit of creditors or should a receiver or trustee be appointed for all or any significant part of the Issuer's assets, and shall, to the fullest extent permitted by law, continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Notes are, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee on the Notes and Guarantee, whether as a "voidable preference," "fraudulent transfer" or otherwise, all as though such payment or performance had not been made. In the event that any payment or any part thereof, is rescinded, reduced, restored or returned, the Note shall, to the fullest extent permitted by law, be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

(k) In case any provision of this Guarantee shall be invalid, illegal or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

(l) This Guarantee shall be a general unsecured senior obligation of such Guaranteeing Subsidiary, ranking *pari passu* with any other future Senior Indebtedness of such Guaranteeing Subsidiary, if any.

(m) Each payment to be made by the Guaranteeing Subsidiaries in respect of this Guarantee shall be made without set-off, counterclaim, reduction or diminution of any kind or nature.

(3) Execution and Delivery. Each Guaranteeing Subsidiary agrees that the Guarantee shall remain in full force and effect notwithstanding the absence of the endorsement of any notation of such Guarantee on the Notes.

(4) Merger, Consolidation or Sale of All or Substantially All Assets.

(a) Except as otherwise provided in Section 5.01(c) of the Indenture, each Guaranteeing Subsidiary may not consolidate or merge with or into or wind up into (whether or not the Issuer or such Guaranteeing Subsidiary is the surviving corporation), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets, in one or more related transactions, to any Person unless:

(i) (A) such Guaranteeing Subsidiary is the surviving corporation or the Person formed by or surviving any such consolidation or merger (if other than such Guaranteeing Subsidiary) or to which such sale, assignment, transfer, lease, conveyance or other disposition will have been made is a corporation, partnership, limited partnership, limited liability company or trust organized or existing under the laws of the jurisdiction of organization of such Guaranteeing Subsidiary, as the case may be, or the laws of the United States, any state thereof, the District of Columbia, or any territory thereof (such Guaranteeing Subsidiary or such Person, as the case may be, being herein called the "Successor Person");

(A) the Successor Person, if other than such Guaranteeing Subsidiary, expressly assumes all the obligations of such Guaranteeing Subsidiary under the Indenture and such Guaranteeing Subsidiary's related Guarantee pursuant to supplemental indentures or other documents or instruments in form reasonably satisfactory to the Trustee;

(B) immediately after such transaction, no Default exists; and

(C) the Issuer shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer and such supplemental indentures, if any, comply with the Indenture; or

(ii) the transaction is made in compliance with Section 4.10 of the Indenture;

(b) Subject to certain limitations described in the Indenture, the Successor Person will succeed to, and be substituted for, such Guaranteeing Subsidiary under the Indenture and such Guaranteeing Subsidiary's Guarantee. Notwithstanding the foregoing, such Guaranteeing Subsidiary may merge into or transfer all or part of its properties and assets to another Guarantor or the Issuer.

(5) Releases. The Guarantee of each Guaranteeing Subsidiary shall be automatically and unconditionally released and discharged, and no further action by such Guaranteeing Subsidiary, the Issuer or the Trustee is required for the release of such Guaranteeing Subsidiary's Guarantee, upon:

(a) (i) any sale, exchange or transfer (by merger or otherwise) of the Capital Stock of such Guaranteeing Subsidiary (including any sale, exchange or transfer), after which such Guaranteeing Subsidiary is no longer a Restricted Subsidiary or all or substantially all the assets of such Guaranteeing Subsidiary which sale, exchange or transfer is made in compliance with the applicable provisions of the Indenture;

(i) the release or discharge of the guarantee by such Guaranteeing Subsidiary of the guarantee which resulted in the creation of the Guarantee, except a discharge or release by or as a result of payment under such guarantee;

(ii) the proper designation of such Guaranteeing Subsidiary as an Unrestricted Subsidiary; or

(iii) the Issuer exercising its Legal Defeasance option or Covenant Defeasance option in accordance with Article 8 of the Indenture or the Issuer's obligations under the Indenture being discharged in accordance with the terms of the Indenture; and

(b) such Guaranteeing Subsidiary delivering to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent provided for in the Indenture relating to such transaction have been complied with.

(6) No Recourse Against Others. No director, officer, employee, incorporator or stockholder of the Guarantoring Subsidiaries shall have any liability for any obligations of the Issuer or the Guarantors (including the Guarantoring Subsidiaries) under the Notes, any Guarantees, the Indenture or this Supplemental Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting Notes waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

(7) Governing Law. THIS SUPPLEMENTAL INDENTURE WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

(8) Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

The words “execution,” “signed,” “signature,” and words of like import in this Supplemental Indenture shall include images of manually executed signatures transmitted by facsimile or other electronic format (including, without limitation, “pdf”, “tif” or “jpg”) and other electronic signatures (including, without limitation, DocuSign and Adobe Sign or any other electronic process or digital signature provider as specified in writing to the Trustee and agreed to by the Trustee in its sole discretion). The use of electronic signatures and electronic records (including, without limitation, any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based record-keeping system to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act and any other applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act. Anything in this Supplemental Indenture or the Notes to the contrary notwithstanding, each party agrees that for the purposes of the transactions contemplated by this Supplemental Indenture, the Notes and any document to be signed in connection with the Indenture or the Notes (including the Notes and amendments, supplements, waivers, consents and other modifications, Officers’ Certificates, Issuer Orders and Opinions of Counsel) or the transactions contemplated hereby may be signed by manual signatures that are scanned, photocopied or faxed or other electronic signatures created on an electronic platform, such as DocuSign, or by digital signature, such as Adobe Sign, (or any other electronic process or digital signature provider as specified in writing to the Trustee and agreed to by the Trustee in its sole discretion), and the keeping of records in electronic form, are hereby authorized, and each shall be of the same legal effect, validity or enforceability as a manually executed signature in ink or the use of a paper-based recordkeeping system, as the case may be.

(9) Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

(10) The Trustee. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by each Guarantoring Subsidiary.

(11) Subrogation. Each Guarantoring Subsidiary shall be subrogated to all rights of Holders of Notes against the Issuer in respect of any amounts paid by such Guarantoring Subsidiary pursuant to the provisions of Section 2 hereof and Section 10.01

of the Indenture; provided that, if an Event of Default has occurred and is continuing, such Guaranteeing Subsidiary shall not be entitled to enforce or receive any payments arising out of, or based upon, such right of subrogation until all amounts then due and payable by the Issuer under the Indenture or the Notes shall have been paid in full.

(12) Benefits Acknowledged. Each Guaranteeing Subsidiary's Guarantee is subject to the terms and conditions set forth in the Indenture. Each Guaranteeing Subsidiary acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by the Indenture and this Supplemental Indenture and that the guarantee and waivers made by it pursuant to this Guarantee are knowingly made in contemplation of such benefits.

(13) Successors. All agreements of the Guaranteeing Subsidiaries in this Supplemental Indenture shall bind their Successors, except as otherwise provided in Section 2(k) hereof or elsewhere in this Supplemental Indenture. All agreements of the Trustee in this Supplemental Indenture shall bind its successors.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed, all as of the date first above written.

NEXT LEVEL HOSPITALITY SERVICES, LLC

by Aramark Healthcare Support Services, LLC, its sole member

By: /S/ JAMES J. TARANGELO

Name: James J. Tarangelo

Title: Treasurer

NEXT LEVEL PEO, LLC

NLAL HOSPITALITY LLC

NLNC HOSPITALITY LLC

NLPA HOSPITALITY LLC

NLSD HOSPITALITY LLC

by Next Level Hospitality Services, LLC, its sole member

By: /S/ JAMES J. TARANGELO

Name: James J. Tarangelo

Title: Treasurer

UNION SUPPLY GROUP, INC.

UNION SUPPLY COMMISSARY SOLUTIONS, INC.

By: /S/ JAMES J. TARANGELO

Name: James J. Tarangelo

Title: Director

By: S/ THOMAS G. ONDROF

Name: Thomas G. Ondrof

Title: Director

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee

By: /S/ GREGORY P. GUIM

Name: Gregory P. Guim

Title: Vice President

[Signature Page to 2025 6.375% Supplemental Indenture]

Schedule I

Guaranteeing Subsidiaries

	Entity Name	Jurisdiction
1.	Union Supply Group, Inc.	California
1.	Union Supply Commissary Solutions, Inc.	California
1.	Next Level Hospitality Services, LLC	Delaware
1.	Next Level PEO, LLC	Delaware
1.	NLAL Hospitality, LLC	Delaware
1.	NLNC Hospitality, LLC	Delaware
1.	NLPA Hospitality, LLC	Delaware
1.	NLSD Hospitality, LLC	Delaware

THIRD SUPPLEMENTAL INDENTURE

THIS THIRD SUPPLEMENTAL INDENTURE (this "Supplemental Indenture"), dated as of December 16, 2022, among the entities listed in Schedule I hereto (each a "Guaranteeing Subsidiary" and together, the "Guaranteeing Subsidiaries"), each a subsidiary of Aramark Services, Inc., a Delaware corporation (the "Issuer"), and U.S. Bank Trust Company, National Association, as successor trustee (the "Trustee").

WITNESSETH

WHEREAS, the Issuer, the Parent Guarantor and the other Guarantors have heretofore executed and delivered to the Trustee an indenture, dated as of January 18, 2018, as supplemented by that first supplemental indenture, dated as of February 9, 2018 and as further supplemented by that second supplemental indenture, dated as of April 30, 2021 (collectively, the "Indenture"), providing for the issuance of an unlimited aggregate principal amount of 5.000% Senior Notes due 2028 (the "Notes");

WHEREAS, the Indenture provides that under certain circumstances each Guaranteeing Subsidiary shall execute and deliver to the Trustee a supplemental indenture pursuant to which such Guaranteeing Subsidiary shall unconditionally guarantee all of the Issuer's Obligations under the Notes and the Indenture on the terms and conditions set forth herein and under the Indenture (the "Guarantee"); and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

- (1) Capitalized Terms. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.
- (2) Agreement to Guarantee. Each Guaranteeing Subsidiary hereby agrees as follows:
 - (a) Along with all other Guarantors, to jointly and severally unconditionally guarantee to each Holder of a Note authenticated and delivered by the Trustee and to the Trustee and its successors and assigns, irrespective of the validity and enforceability of the Indenture, the Notes or the obligations of the Issuer hereunder or thereunder, that:
 - (i) the principal of, interest and premium, if any, on the Notes will be promptly paid in full when due, whether at maturity, by acceleration, redemption or otherwise, and interest on the overdue principal of and interest on the Notes, if any, if lawful, and all other obligations of the Issuer to the Holders or the Trustee hereunder or thereunder will be promptly paid in full or performed, all in accordance with the terms hereof and thereof; and
 - (ii) in case of any extension of time of payment or renewal of any Notes or of any such other obligations, that same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or

otherwise. Failing payment when due of any amount so guaranteed or any performance so guaranteed for whatever reason, the Guarantors and the Guaranteeing Subsidiaries shall be jointly and severally obligated to pay the same immediately. This is a guarantee of payment and not a guarantee of collection.

(b) The obligations hereunder shall be unconditional, irrespective of the validity, regularity or enforceability of the Notes or the Indenture, the absence of any action to enforce the same, any waiver or consent by any Holder of the Notes with respect to any provisions hereof or thereof, the recovery of any judgment against the Issuer, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor.

(c) The following is hereby waived: diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Issuer, any right to require a proceeding first against the Issuer, protest, notice and all demands whatsoever.

(d) This Guarantee shall not be discharged except by complete performance of the obligations contained in the Notes, the Indenture and this Supplemental Indenture, and each Guaranteeing Subsidiary accepts all obligations of a Guarantor under the Indenture.

(e) If any Holder or the Trustee is required by any court or otherwise to return to the Issuer, the Guarantors (including the Guaranteeing Subsidiaries), or any custodian, trustee, liquidator or other similar official acting in relation to either the Issuer or the Guarantors, any amount paid either to the Trustee or such Holder, this Guarantee, to the extent theretofore discharged, shall be reinstated in full force and effect.

(f) Each Guaranteeing Subsidiary shall not be entitled to any right of subrogation in relation to the Holders in respect of any obligations guaranteed hereby until payment in full of all obligations guaranteed hereby.

(g) As between the Guaranteeing Subsidiaries, on the one hand, and the Holders and the Trustee, on the other hand, (x) the maturity of the obligations guaranteed hereby may be accelerated as provided in Article 6 of the Indenture for the purposes of this Guarantee, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby, and (y) in the event of any declaration of acceleration of such obligations as provided in Article 6 of the Indenture, such obligations (whether or not due and payable) shall forthwith become due and payable by the Guaranteeing Subsidiaries for the purpose of this Guarantee.

(h) Each Guaranteeing Subsidiary shall have the right to seek contribution from any non-paying Guarantor so long as the exercise of such right does not impair the rights of the Holders under this Guarantee.

(i) Pursuant to Section 10.02 of the Indenture, after giving effect to all other contingent and fixed liabilities that are relevant under any applicable Bankruptcy or fraudulent conveyance laws, and after giving effect to any collections from, rights to receive contribution from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor

under Article 10 of the Indenture, this new Guarantee shall be limited to the maximum amount permissible such that the obligations of such Guaranteeing Subsidiary under this Guarantee will not constitute a fraudulent transfer or conveyance.

(j) This Guarantee shall remain in full force and effect and continue to be effective should any petition be filed by or against the Issuer for liquidation, reorganization, should the Issuer become insolvent or make an assignment for the benefit of creditors or should a receiver or trustee be appointed for all or any significant part of the Issuer's assets, and shall, to the fullest extent permitted by law, continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Notes are, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee on the Notes and Guarantee, whether as a "voidable preference," "fraudulent transfer" or otherwise, all as though such payment or performance had not been made. In the event that any payment or any part thereof, is rescinded, reduced, restored or returned, the Note shall, to the fullest extent permitted by law, be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

(k) In case any provision of this Guarantee shall be invalid, illegal or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

(l) This Guarantee shall be a general unsecured senior obligation of such Guaranteeing Subsidiary, ranking *pari passu* with any other future Senior Indebtedness of such Guaranteeing Subsidiary, if any.

(m) Each payment to be made by the Guaranteeing Subsidiaries in respect of this Guarantee shall be made without set-off, counterclaim, reduction or diminution of any kind or nature.

(3) Execution and Delivery. Each Guaranteeing Subsidiary agrees that the Guarantee shall remain in full force and effect notwithstanding the absence of the endorsement of any notation of such Guarantee on the Notes.

(4) Merger, Consolidation or Sale of All or Substantially All Assets.

(a) Except as otherwise provided in Section 5.01(c) of the Indenture, each Guaranteeing Subsidiary may not consolidate or merge with or into or wind up into (whether or not the Issuer or such Guaranteeing Subsidiary is the surviving corporation), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets, in one or more related transactions, to any Person unless:

(i) (A) such Guaranteeing Subsidiary is the surviving corporation or the Person formed by or surviving any such consolidation or merger (if other than such Guaranteeing Subsidiary) or to which such sale, assignment, transfer, lease, conveyance or other disposition will have been made is a corporation, partnership, limited partnership, limited liability company or trust organized or existing under the laws of the jurisdiction of organization of such Guaranteeing Subsidiary, as the case may be, or the laws of the United States, any state thereof, the District of

Columbia, or any territory thereof (such Guaranteeing Subsidiary or such Person, as the case may be, being herein called the “Successor Person”);

(A) the Successor Person, if other than such Guaranteeing Subsidiary, expressly assumes all the obligations of such Guaranteeing Subsidiary under the Indenture and such Guaranteeing Subsidiary’s related Guarantee pursuant to supplemental indentures or other documents or instruments in form reasonably satisfactory to the Trustee;

(B) immediately after such transaction, no Default exists; and

(C) the Issuer shall have delivered to the Trustee an Officers’ Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer and such supplemental indentures, if any, comply with the Indenture; or

(ii) the transaction is made in compliance with Section 4.10 of the Indenture;

(b) Subject to certain limitations described in the Indenture, the Successor Person will succeed to, and be substituted for, such Guaranteeing Subsidiary under the Indenture and such Guaranteeing Subsidiary’s Guarantee. Notwithstanding the foregoing, such Guaranteeing Subsidiary may merge into or transfer all or part of its properties and assets to another Guarantor or the Issuer.

(5) Releases. The Guarantee of each Guaranteeing Subsidiary shall be automatically and unconditionally released and discharged, and no further action by such Guaranteeing Subsidiary, the Issuer or the Trustee is required for the release of such Guaranteeing Subsidiary’s Guarantee, upon:

(a) (i) any sale, exchange or transfer (by merger or otherwise) of the Capital Stock of such Guaranteeing Subsidiary (including any sale, exchange or transfer), after which such Guaranteeing Subsidiary is no longer a Restricted Subsidiary or all or substantially all the assets of such Guaranteeing Subsidiary which sale, exchange or transfer is made in compliance with the applicable provisions of the Indenture;

(i) the release or discharge of the guarantee by such Guaranteeing Subsidiary of the guarantee which resulted in the creation of the Guarantee, except a discharge or release by or as a result of payment under such guarantee;

(ii) the proper designation of such Guaranteeing Subsidiary as an Unrestricted Subsidiary; or

(iii) the Issuer exercising its Legal Defeasance option or Covenant Defeasance option in accordance with Article 8 of the Indenture or the Issuer’s obligations under the Indenture being discharged in accordance with the terms of the Indenture; and

(b) such Guaranteeing Subsidiary delivering to the Trustee an Officers’ Certificate and an Opinion of Counsel, each stating that all conditions

precedent provided for in the Indenture relating to such transaction have been complied with.

(6) No Recourse Against Others. No director, officer, employee, incorporator or stockholder of the Guarantoring Subsidiaries shall have any liability for any obligations of the Issuer or the Guarantors (including the Guarantoring Subsidiaries) under the Notes, any Guarantees, the Indenture or this Supplemental Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting Notes waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

(7) Governing Law. THIS SUPPLEMENTAL INDENTURE WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

(8) Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

The words “execution,” “signed,” “signature,” and words of like import in this Supplemental Indenture shall include images of manually executed signatures transmitted by facsimile or other electronic format (including, without limitation, “pdf,” “tif” or “jpg”) and other electronic signatures (including, without limitation, DocuSign and Adobe Sign or any other electronic process or digital signature provider as specified in writing to the Trustee and agreed to by the Trustee in its sole discretion). The use of electronic signatures and electronic records (including, without limitation, any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based record-keeping system to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act and any other applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act. Anything in this Supplemental Indenture or the Notes to the contrary notwithstanding, each party agrees that for the purposes of the transactions contemplated by this Supplemental Indenture, the Notes and any document to be signed in connection with the Indenture or the Notes (including the Notes and amendments, supplements, waivers, consents and other modifications, Officers’ Certificates, Issuer Orders and Opinions of Counsel) or the transactions contemplated hereby may be signed by manual signatures that are scanned, photocopied or faxed or other electronic signatures created on an electronic platform, such as DocuSign, or by digital signature, such as Adobe Sign, (or any other electronic process or digital signature provider as specified in writing to the Trustee and agreed to by the Trustee in its sole discretion), and the keeping of records in electronic form, are hereby authorized, and each shall be of the same legal effect, validity or enforceability as a manually executed signature in ink or the use of a paper-based recordkeeping system, as the case may be.

(9) Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

(10) The Trustee. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by each Guarantoring Subsidiary.

(11) Subrogation. Each Guarantoring Subsidiary shall be subrogated to all rights of Holders of Notes against the Issuer in respect of any amounts paid by such

Guaranteeing Subsidiary pursuant to the provisions of Section 2 hereof and Section 10.01 of the Indenture; provided that, if an Event of Default has occurred and is continuing, such Guaranteeing Subsidiary shall not be entitled to enforce or receive any payments arising out of, or based upon, such right of subrogation until all amounts then due and payable by the Issuer under the Indenture or the Notes shall have been paid in full.

(12) Benefits Acknowledged. Each Guaranteeing Subsidiary's Guarantee is subject to the terms and conditions set forth in the Indenture. Each Guaranteeing Subsidiary acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by the Indenture and this Supplemental Indenture and that the guarantee and waivers made by it pursuant to this Guarantee are knowingly made in contemplation of such benefits.

(13) Successors. All agreements of the Guaranteeing Subsidiaries in this Supplemental Indenture shall bind their Successors, except as otherwise provided in Section 2(k) hereof or elsewhere in this Supplemental Indenture. All agreements of the Trustee in this Supplemental Indenture shall bind its successors.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed, all as of the date first above written.

NEXT LEVEL HOSPITALITY SERVICES, LLC

by Aramark Healthcare Support Services, LLC, its sole member

By: /S/ JAMES J. TARANGELO

Name: James J. Tarangelo

Title: Treasurer

NEXT LEVEL PEO, LLC

NLAL HOSPITALITY LLC

NLNC HOSPITALITY LLC

NLPA HOSPITALITY LLC

NLSD HOSPITALITY LLC

by Next Level Hospitality Services, LLC, its sole member

By: /S/ JAMES J. TARANGELO

Name: James J. Tarangelo

Title: Treasurer

UNION SUPPLY GROUP, INC.

UNION SUPPLY COMMISSARY SOLUTIONS, INC.

By: /S/ JAMES J. TARANGELO

Name: James J. Tarangelo

Title: Director

By: /S/ THOMAS G. ONDROF

Name: Thomas G. Ondrof

Title: Director

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee

By: /S/ GREGORY P. GUIM

Name: Gregory P. Guim

Title: Vice President

[Signature Page to 2028 Notes Supplemental Indenture]

Schedule I

Guaranteeing Subsidiaries

	Entity Name	Jurisdiction
1.	Union Supply Group, Inc.	California
1.	Union Supply Commissary Solutions, Inc.	California
1.	Next Level Hospitality Services, LLC	Delaware
1.	Next Level PEO, LLC	Delaware
1.	NLAL Hospitality, LLC	Delaware
1.	NLNC Hospitality, LLC	Delaware
1.	NLPA Hospitality, LLC	Delaware
1.	NLSD Hospitality, LLC	Delaware

JOINDER AGREEMENT

THIS JOINDER AGREEMENT (this “Agreement”), dated as of November 18, 2022, is entered into between each of the entities listed on Schedule I attached hereto, (each a “New Subsidiary” and, collectively the “New Subsidiaries”) and JPMORGAN CHASE BANK, N.A., as Agent, under that certain Credit Agreement dated as of March 28, 2017 (as may be amended, supplemented or otherwise modified from time to time, the “Credit Agreement”) among ARAMARK SERVICES, INC., a Delaware corporation (the “U.S. Borrower”), ARAMARK CANADA LTD., a company organized under the laws of Canada (the “Canadian Borrower”), ARAMARK INVESTMENTS LIMITED, a limited company incorporated under the laws of England and Wales, ARAMARK LIMITED, a limited company incorporated under the laws of England and Wales, (together with Aramark Investments Limited, the “U.K. Borrowers” and each a “U.K. Borrower”), ARAMARK IRELAND HOLDINGS LIMITED, a company incorporated under the laws of Ireland, ARAMARK REGIONAL TREASURY EUROPE, DESIGNATED ACTIVITY COMPANY, a company incorporated under the laws of Ireland (together with Aramark Ireland Holdings Limited, the “Irish Borrowers” and each an “Irish Borrower”), ARAMARK HOLDING DEUTSCHLAND GMBH (as successor by merger to ARAMARK HOLDINGS GMBH & CO. KG), a limited partnership (*Kommanditgesellschaft*) established under the laws of Germany (the “German Borrower”) and Aramark International Finance S.à r.l., a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of the Grand Duchy of Luxembourg (“Luxembourg”) having its registered office at 57, rue des Trois Cantons, L-3961 Ehrlange/Mezz., Luxembourg and registered with the Luxembourg trade and companies register (*Registre de commerce et des sociétés, Luxembourg*) (the “Luxembourg Register”) under number B 213360 (the “Lux Borrower”) and, together with the U.S. Borrower, the Canadian Borrower, the U.K. Borrowers, the Irish Borrowers, the German Borrower and any Additional Foreign Borrower, the “Borrowers”), ARAMARK INTERMEDIATE HOLDCO CORPORATION, a Delaware corporation (“Holdings”), each Subsidiary of ARAMARK that, from time to time, becomes a party thereto, the Lenders (as defined in Article I of the Credit Agreement), the Issuing Banks named therein, and JPMORGAN CHASE BANK, N.A., as administrative agent for the Lenders and collateral agent for the Secured Parties thereunder (in such capacities, together with its successors and assigns in such capacities, the “Agent”) and the other parties thereto from time to time. Capitalized terms used but not defined herein shall have the meanings assigned to such term in the Credit Agreement.

The New Subsidiaries and the Agent, for the benefit of the Lenders, hereby agree as follows:

1. Each New Subsidiary hereby acknowledges, agrees and confirms that, by its execution of this Agreement, such New Subsidiary will be deemed to be a Loan Party under the Credit Agreement and a Loan Guarantor for all purposes of the Credit Agreement and shall have all of the obligations of a Loan Party and a Loan Guarantor thereunder as if it had executed the Credit Agreement. Each New Subsidiary hereby ratifies, as of the date hereof, and agrees to be bound by, all of the terms, provisions and conditions contained in the Credit Agreement, including without limitation (a) all of the representations and warranties of the Loan Parties set forth in Article III of the Credit Agreement (to the extent made or deemed made on or after the effective date hereof), (b) all of the covenants set forth in Articles V and VI of the Credit Agreement applicable to it and (c) all of the guaranty obligations set forth in Article X of the Credit Agreement.
2. If required, each New Subsidiary is, simultaneously with the execution of this Agreement, executing and delivering such Collateral Documents (and such other documents and instruments) as requested by the Agent in accordance with the Credit Agreement.
3. Each New Subsidiary hereby waives acceptance by the Agent and the Lenders of the guaranty by such New Subsidiary upon the execution of this Agreement by such New Subsidiary.
4. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all of which shall constitute one and the same

instrument. Delivery of an executed counterpart of a signature page of this Agreement by facsimile, scan, photograph or other electronic transmission shall be effective as delivery of a manually executed counterpart hereof. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to this Agreement and/or any document to be signed in connection with this Agreement and the transactions contemplated hereby shall be deemed to include Electronic Signatures (as defined below), deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be. "Electronic Signatures" means any electronic symbol or process attached to, or associated with, any contract or other record and adopted by a person with the intent to sign, authenticate or accept such contract or record.

5. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

IN WITNESS WHEREOF, each New Subsidiary has caused this Agreement to be duly executed by its authorized officer, and the Agent, for the benefit of the Lenders, has caused the same to be accepted by its authorized officer, as of the day and year first above written.

UNION SUPPLY GROUP, INC.

By: /S/ JAMES J. TARANGELO

Name: James J. Tarangelo
Title: Treasurer

UNION SUPPLY COMMISSARY SOLUTIONS, INC.

By: /S/ JAMES J. TARANGELO

Name: James J. Tarangelo
Title: Treasurer

NEXT LEVEL HOSPITALITY SERVICES, LLC

By: /S/ JAMES J. TARANGELO

Name: James J. Tarangelo
Title: Treasurer

NEXT LEVEL PEO, LLC

By: /S/ JAMES J. TARANGELO

Name: James J. Tarangelo
Title: Treasurer

NLAL HOSPITALITY LLC

By: /S/ JAMES J. TARANGELO

Name: James J. Tarangelo
Title: Treasurer

NLNC HOSPITALITY LLC

By: /S/ JAMES J. TARANGELO

Name: James J. Tarangelo
Title: Treasurer

NLPA HOSPITALITY LLC

By: /S/ JAMES J. TARANGELO

—

Name: James J. Tarangelo
Title: Treasurer

NLSD HOSPITALITY LLC

By: /S/ JAMES J. TARANGELO

Name: James J. Tarangelo
Title: Treasurer

Acknowledged and accepted:

JPMORGAN CHASE BANK, N.A., as Agent

By: /S/ JEFFREY C. MILLER

Name: Jeffrey C. Miller
Title: Managing Director

Schedule I

1. Union Supply Group, Inc.
2. Union Supply Commissary Solutions, Inc.
3. Next Level Hospitality Services, LLC
4. Next Level PEO, LLC
5. NLAL Hospitality LLC
6. NLNC Hospitality LLC
7. NLPA Hospitality LLC
8. NLSA Hospitality LLC

CERTIFICATIONS

I, John J. Zillmer, Chief Executive Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Aramark for the quarter ended December 30, 2022;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ JOHN J. ZILLMER

John J. Zillmer

Chief Executive Officer

Date: February 7, 2023

CERTIFICATIONS

I, Thomas G. Ondrof, Executive Vice President and Chief Financial Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Aramark for the quarter ended December 30, 2022;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ THOMAS G. ONDROF

Thomas G. Ondrof
Executive Vice President and
Chief Financial Officer

Date: February 7, 2023

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF
THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Aramark (the "Company") on Form 10-Q for the fiscal quarter ended December 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, John J. Zillmer, Chief Executive Officer of the Company, and Thomas G. Ondrof, Executive Vice President and Chief Financial Officer of the Company, each certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, based on each of our knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 7, 2023

/s/ JOHN J. ZILLMER

John J. Zillmer
Chief Executive Officer

/s/ THOMAS G. ONDROF

Thomas G. Ondrof
Executive Vice President and
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.