Aramark First Quarter 2018 Results

February 6, 2018

Forward-Looking Statements

This presentation includes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 that reflect our current views as to future events and financial performance with respect to, without limitation, conditions in our industry, our operations, our economic performance and financial condition, including, in particular, statements under the heading, “Updated FY18 EPS Outlook”, “2018 Business Outlook”, “Expected Impact of Acquisitions and Tax Reform in FY18” and “Summary” and including with respect to, without limitation, the benefits and costs of our acquisitions of each of Avendra and AmeriPride and related financings, as well as statements regarding these companies’ services and products and relating to our business and growth strategy. These statements can be identified by the fact that they do not relate strictly to historical or current facts. They use words such as “outlook,” "aim," "anticipate," “are or remain confident,” “have confidence,” "estimate," "expect," “will be," "will continue," "will likely result," "project, "intend," "plan," "believe,” see,” “look to” and other words and terms of similar meaning or the negative versions of such words.

Forward-looking statements speak only as of the date made. All statements we make relating to our estimated and projected earnings, costs, expenditures, cash flows, growth rates, financial results and our estimated benefits and costs of our acquisitions are forward-looking statements. In addition, we, through our senior management, from time to time make forward-looking public statements concerning our expected future operations and performance and other developments. These forward-looking statements are subject to risks and uncertainties that may change at any time, and, therefore, our actual results may differ materially from those that we expected. We derive many of our forward-looking statements from our operating budgets and forecasts, which are based upon many detailed assumptions. While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and, of course, it is impossible for us to anticipate all factors that could affect our actual results. All subsequent written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by the cautionary statements. Some of the factors that we believe could affect our results or the costs and benefits of the acquisitions include without limitation: unfavorable economic conditions; natural disasters, global calamities, sports strikes and other adverse incidents; the failure to retain current clients, renew existing client contracts and obtain new client contracts; a determination by clients to reduce their outsourcing or use of preferred vendors; competition in our industries; increased operating costs and obstacles to cost recovery due to the pricing and cancellation terms of our food and support services contracts; the inability to achieve cost savings through our cost reduction efforts; our expansion strategy; the failure to maintain food safety throughout our supply chain, food-borne illness concerns and claims of illness or injury; governmental regulations including those relating to food and beverages, the environment, wage and hour and government contracting; liability associated with noncompliance with applicable law or other governmental regulations; new interpretations of or changes in the enforcement of the government regulatory framework; currency risks and other risks associated with international operations, including Foreign Corrupt Practices Act, U.K. Bribery Act and other anti-corruption law compliance; continued or further unionization of our workforce; liability resulting from our participation in multiemployer defined benefit pension plans; risks associated with suppliers from whom our products are sourced; disruptions to our relationship with, or to the business of, our primary distributor; the inability to hire and retain sufficient qualified personnel or increases in labor costs; healthcare reform legislation; the contract intensive nature of our business, which may lead to client disputes; seasonality; disruptions in the availability of our computer systems or privacy breaches; failure to achieve and maintain effective internal controls; our leverage; the inability to generate sufficient cash to service all of our indebtedness; debt agreements that limit our flexibility in operating our business; our ability to successfully integrate the businesses of Avendra and AmeriPride and costs and timing related thereto, the risk of unanticipated restructuring costs or assumption of undisclosed liabilities, the risk that we are unable to achieve the anticipated benefits (including tax benefits) and synergies of the acquisition of AmeriPride and Avendra including whether the proposed transactions will be accretive and within the expected timeframes, the availability of sufficient cash to repay certain indebtedness and our decision to utilize the cash for that purpose, the disruption of the transactions to each of Avendra and AmeriPride and their respective managements; the effect of the transactions on each of Avendra’s and AmeriPride’s ability to retain and hire key personnel and maintain relationships with customers, suppliers and other third parties, our ability to attract new or maintain existing customer and supplier relationships at reasonable cost, our ability to retain key personnel and other factors set forth under the headings Item 1A “Risk Factors,” Item 3 “Legal Proceedings” and Item 7 “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and other sections of our Annual Report on Form 10-K filed with the SEC on November 22, 2017, as such factors may be updated from time to time in our other periodic filings with the SEC, which are accessible on the SEC’s website at www.sec.gov and which may be obtained by contacting Aramark’s investor relations department via its website www.aramark.com. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this presentation and in our other filings with the SEC. As a result of these risks and uncertainties, readers are cautioned not to place undue reliance on any forward-looking statements included herein or that may be made elsewhere from time to time by, or on behalf of, us. We undertake no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments, changes in our expectations, or otherwise, except as required by law.

Important Disclosure

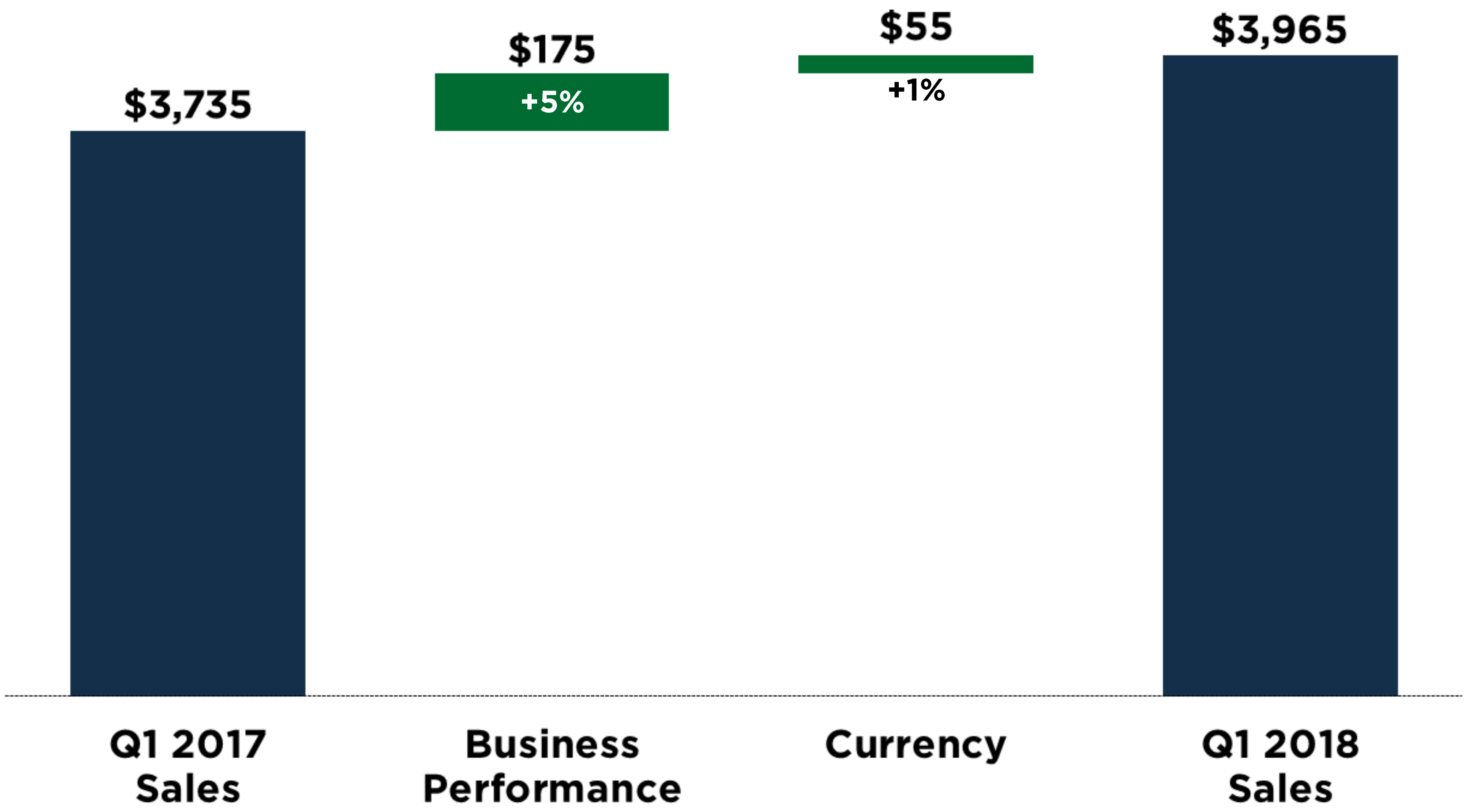
In this presentation, we mention certain financial measures that are considered non-GAAP. Generally, a non-GAAP financial measure is a numerical measure of a company's performance, financial position, or cash flows that either excludes or includes items different than those prepared or presented in accordance with generally accepted accounting principles in the United States. We have prepared disclosures and reconciliations of non-GAAP financial measures that were used in this presentation and may be used periodically by management when discussing our financial results with investors and analysts, which are in the appendix to this presentation. Our fiscal year ends on the Friday nearest September 30 of each year. When we refer to our fiscal years, we say “Fiscal” and the year number, as in “Fiscal 2018” which refers to our fiscal year ending September 28, 2018.

Overview

- **Strong start to the year with broad-based revenue growth**
  - **Organic sales growth of +5%; up in all three reporting segments**
- **Adjusted EPS of $0.59, up 5%[1]**
- **Adjusted Operating Income (AOI) of $263M, down 3%[1]**
- **Continued execution of clear & focused strategy**

[1] Constant Currency

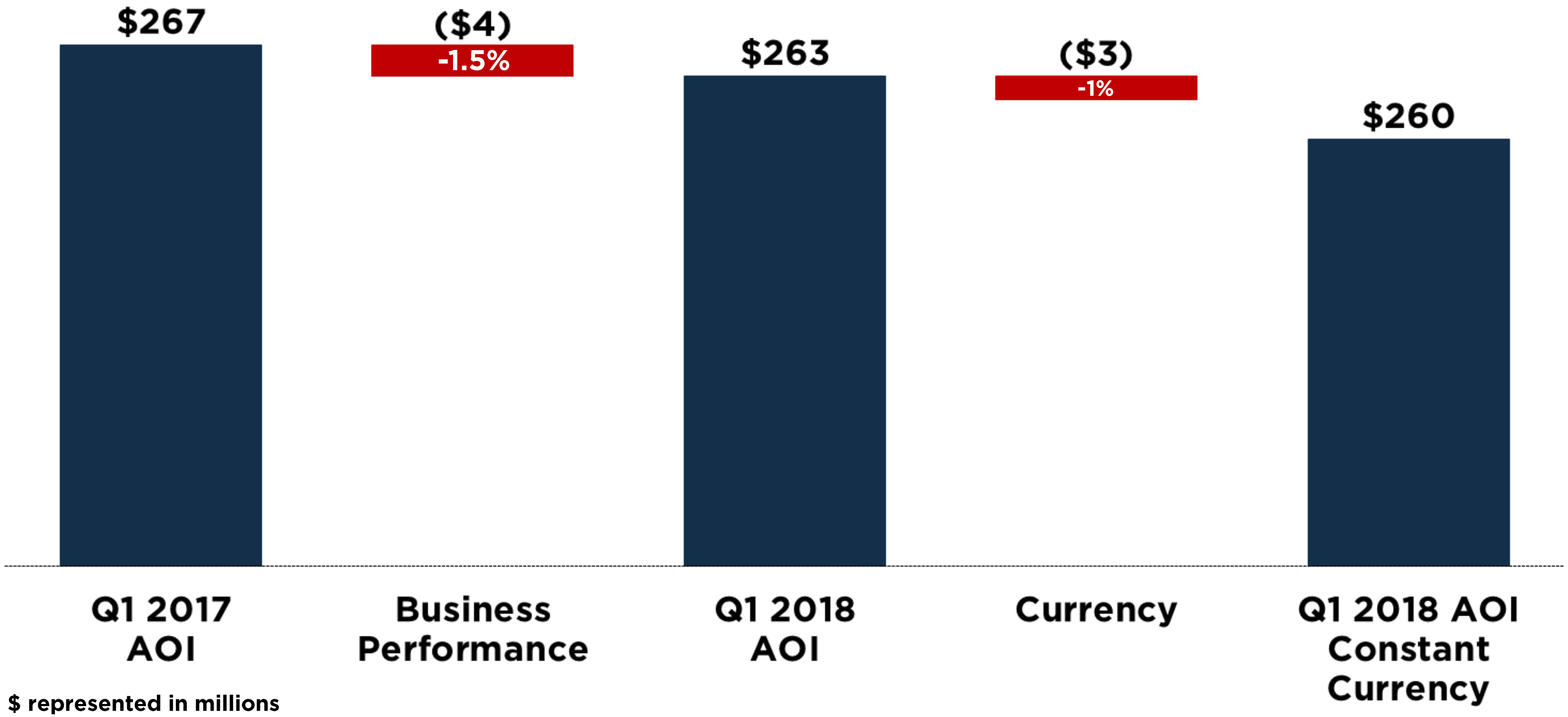
Q1 Sales Reconciliation



$ represented in millions; percentage change may not foot due to rounding; Immaterial impact related to Avendra acquisition

Organic Sales Growth +5%; Reported Sales Growth +6%

Q1 AOI Reconciliation

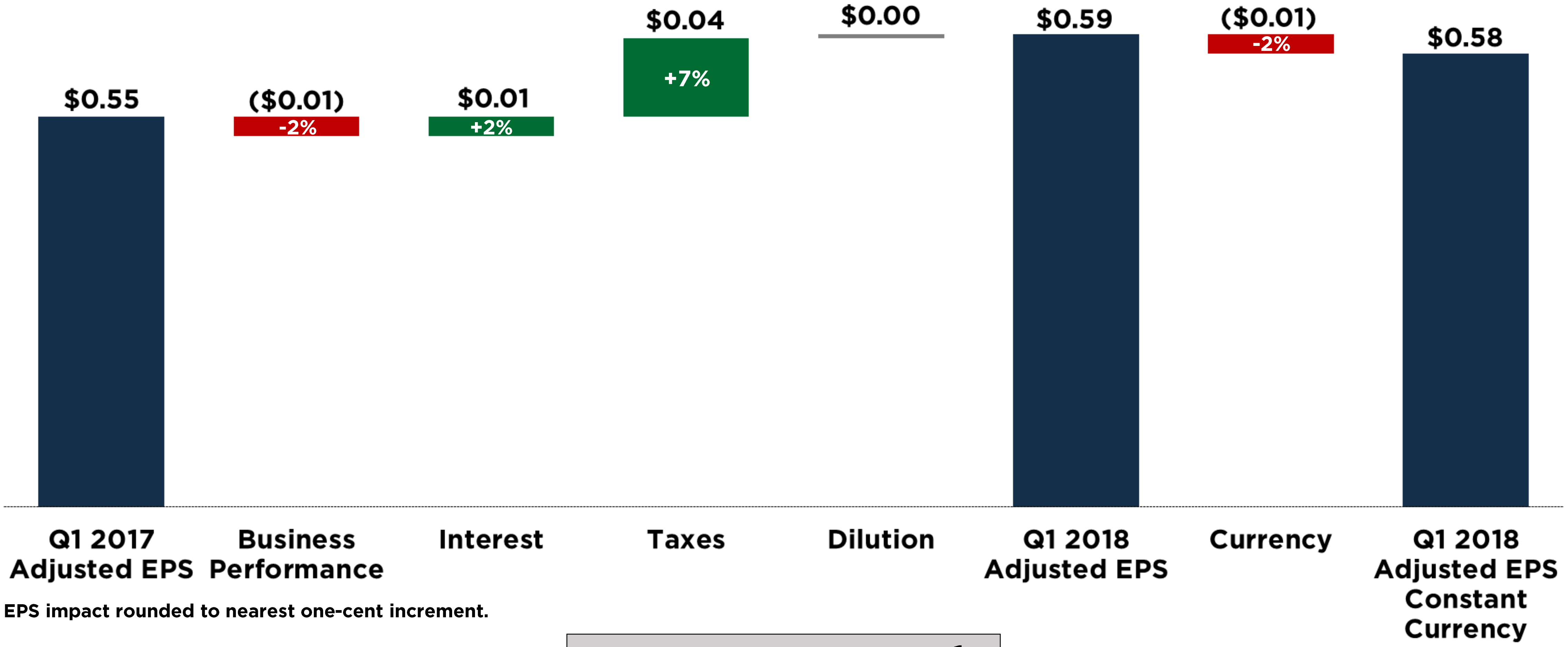


$ represented in millions

AOI Growth -3%[1]; AOI Margin 6.6%[1], -50bps

[1] Constant Currency

Q1 Adjusted EPS Reconciliation



EPS impact rounded to nearest one-cent increment.

Adjusted EPS +5%[1]

[1] Constant Currency

Expected Impact of Acquisitions & Tax Reform in FY18

Acquisitions of Avendra & AmeriPride[1]

Adjusted EPS dilution of 10-15 cents in FY18

- No change in acquired EBITDA assumptions
- Modest synergy capture, weighted to the second half of the year
- Incremental interest expense of ~$90M
  - ~5% all-in rate on $2.3B of incremental debt
- Purchase price amortization of ~$60M[2]
  - ~3.5% of $2.35B aggregate purchase price annualized
- Cash flow accretion expected

Tax Reform[3]

Adjusted EPS accretion of ~20 cents in FY18

- Non-cash GAAP gain of $184M in Q1 due to re-measurement of deferred tax liabilities
  - Negative GAAP tax rate in Q1 and FY 18
- Effective tax rate of ~26% in FY18
  - Compares favorably to 33% in original FY18 outlook and 31% in prior-year
  - Blended rate, as Q1 taxed at higher rates in 2017
    - ETR expected to be modestly lower in FY19
- No material 'transition tax'

[1] Avendra closed on December 11, 2017; AmeriPride closed on January 19, 2018. Modeling guidelines are for the remaining 3 quarters of FY18.

[2] Subject to change, based on final accounting appraisals. Note, purchase price amortization will not be excluded from Adjusted EPS.

[3] Provisional estimates, subject to change

2018 Business Outlook

FY18 Expectations[1]

- Revenue growth of at least 3%
- Adjusted EPS of $2.15 to $2.30
- Currency 1-2 cent tailwind
- Free Cash Flow Outlook of > $400M
- Capex ~3.50% of Sales
- Interest expense of ~$350M
- AOI effective tax rate of ~26%[2]
- Leverage ratio below 4.5x by year-end

First Half Expectations

- Continued strong revenue growth driven by onboarding of new contracts across portfolio
- Margin expansion weighted towards second half due to reinvestments & start-ups

[1] Updated to reflect impact from Avendra and AmeriPride acquisitions and related financings, except free cash flow outlook

[2] Subject to change

Summary

- Strong start to FY18
- Growing base business through established Right to Win
- Focused on integrating Avendra and AmeriPride
- Expect significant benefits from tax reform
- Improved FY18 Adjusted EPS outlook to $2.15 to $2.30

Appendix

Non-GAAP Reconciliation

Adjusted Sales (Organic)

Adjusted Sales (Organic) represents sales growth, adjusted to eliminate the impact of currency translation.

Adjusted Operating Income

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

Adjusted Operating Income (Constant Currency)

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

Covenant Adjusted EBITDA

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

Adjusted Net Income

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

Adjusted Net Income (Constant Currency)

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

Adjusted EPS

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

Non-GAAP Reconciliation (cont'd)

Free Cash Flow

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

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

We provide our expectations for full year Adjusted EPS, full year Free Cash Flow, and full year Covenant Adjusted EBITDA on a non-GAAP basis and do not provide a reconciliation of such forward-looking non-GAAP measures to GAAP due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliation, including adjustments that could be made for the impact of the change in fair value related to certain gasoline and diesel agreements, severance and other charges and the effect of currency translation.

Non-GAAP Reconciliation

- **Adjusted Consolidated Operating Income Margin**

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

	Three Months Ended December 29, 2017				
	FSS United States	FSS International	Uniform	Corporate	Aramark and Subsidiaries
Sales (as reported)	$ 2,649,526	$ 912,982	$ 402,610		$ 3,965,118
Operating Income (as reported)	$ 180,118	$ 46,021	$ 44,472	$ (51,574)	$ 219,037
Operating Income Margin (as reported)	6.80 %	5.04%	11.05 %		5.52 %
Sales (as reported)	$ 2,649,526	$ 912,982	$ 402,610		$ 3,965,118
Effect of Currency Translation	(2,187)	(52,627)	—		(54,814)
Adjusted Sales (Organic)	$ 2,647,339	$ 860,355	$ 402,610		$ 3,910,304
Sales Growth (as reported)	4.67 %	12.90%	1.81 %		6.15 %
Adjusted Sales Growth (Organic)	4.59 %	6.39%	1.81 %		4.68 %
Operating Income (as reported)	$ 180,118	$ 46,021	$ 44,472	$ (51,574)	$ 219,037
Amortization of Acquisition-Related Customer Relationship Intangible Assets and Depreciation of Property and Equipment Resulting from the 2007 LBO	14,127	(403)	—	—	13,724
Share-Based Compensation	290	59	115	16,635	17,099
Severance and Other Charges	643	—	—	5,842	6,485
Merger and Integration Related Charges	2,854	—	2,958	13,559	19,371
Gains, Losses and Settlements impacting comparability	(9,512)	—	(1,746)	(1,831)	(13,089)
Adjusted Operating Income	$ 188,520	$ 45,677	$ 45,799	$ (17,369)	$ 262,627
Effect of Currency Translation	(496)	(2,246)	—	—	(2,742)
Adjusted Operating Income (Constant Currency)	$ 188,024	$ 43,431	$ 45,799	$ (17,369)	$ 259,885
Operating Income Growth (as reported)	2.18 %	13.29%	(17.28)%	(93.89)%	(10.25)%
Adjusted Operating Income Growth	(0.58)%	11.52%	(12.06)%	(8.76)%	(1.52)%
Adjusted Operating Income Growth (Constant Currency)	(0.84)%	6.04%	(12.06)%	(8.76)%	(2.55)%
Adjusted Operating Income Margin (Constant Currency)	7.10 %	5.05%	11.38 %		6.65 %

	Three Months Ended December 30, 2016				
	FSS United States	FSS International	Uniform	Corporate	Aramark and Subsidiaries
Sales (as reported)	$ 2,531,259	$ 808,673	$ 395,451		$ 3,735,383
Adjusted Sales (Organic)	$ 2,531,259	$ 808,673	$ 395,451		$ 3,735,383
Operating Income (as reported)	$ 176,267	$ 40,624	$ 53,764	$ (26,600)	$ 244,055
Amortization of Acquisition-Related Customer Relationship Intangible Assets and Depreciation of Property and Equipment Resulting from the 2007 LBO	17,026	180	(383)	—	16,823
Share-Based Compensation	139	153	34	16,340	16,666
Gains, Losses and Settlements impacting comparability	(3,817)	—	(1,336)	(5,710)	(10,863)
Adjusted Operating Income	$ 189,615	$ 40,957	$ 52,079	$ (15,970)	$ 266,681
Operating Income Margin (as reported)	6.96 %	5.02%	13.60 %		6.53 %
Adjusted Operating Income Margin	7.49 %	5.06%	13.17 %		7.14 %

Non-GAAP Reconciliation

- **Adjusted Net Income**
- **Adjusted EPS**

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

	Three Months Ended December 29, 2017	Three Months Ended December 30, 2016
Net Income Attributable to Aramark Stockholders (as reported)	$ 292,284	$ 125,339
Adjustment:		
Amortization of Acquisition-Related Customer Relationship Intangible Assets and Depreciation of Property and Equipment Resulting from the 2007 LBO	13,724	16,823
Share-Based Compensation	17,099	16,666
Severance and Other Charges	6,485	—
Merger and Integration Related Charges	19,371	—
Gains, Losses and Settlements impacting comparability	(13,089)	(10,863)
Effects of Refinancing on Interest and Other Financing Costs, net	12,439	—
Effect of Tax Reform on Provision for Income Taxes	(183,808)	—
Tax Impact of Adjustments to Adjusted Net Income	(16,221)	(8,503)
Adjusted Net Income	$ 148,284	$ 139,462
Effect of Currency Translation, net of Tax	(2,051)	—
Adjusted Net Income (Constant Currency)	$ 146,233	$ 139,462
Earnings Per Share (as reported)		
Net Income Attributable to Aramark Stockholders (as reported)	$ 292,284	$ 125,339
Diluted Weighted Average Shares Outstanding	252,244	252,593
	$ 1.16	$ 0.50
Earnings Per Share Growth (as reported)	132.00%	
Adjusted Earnings Per Share		
Adjusted Net Income	$ 148,284	$ 139,462
Diluted Weighted Average Shares Outstanding	252,244	252,593
	$ 0.59	$ 0.55
Adjusted Earnings Per Share Growth	7.27%	
Adjusted Earnings Per Share (Constant Currency)		
Adjusted Net Income (Constant Currency)	$ 146,233	$ 139,462
Diluted Weighted Average Shares Outstanding	252,244	252,593
	$ 0.58	$ 0.55
Adjusted Earnings Per Share Growth (Constant Currency)	5.45%	

Non-GAAP Reconciliation

- **Net Debt to Covenant Adjusted EBITDA**

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

	Twelve Months Ended	
	December 29, 2017	December 30, 2016
Net Income Attributable to Aramark Stockholders (as reported)	$ 540,868	$ 319,802
Interest and Other Financing Costs, net	298,037	309,740
(Benefit) Provision for Income Taxes	(56,190)	146,306
Depreciation and Amortization	515,534	494,774
Share-based compensation expense(1)	65,420	57,897
Pro forma EBITDA for equity method investees(2)	13,590	15,269
Pro forma EBITDA for certain transactions(3)	82,887	2,718
Other(4)	60,477	28,300
Covenant Adjusted EBITDA	$ 1,520,623	$ 1,374,806
Net Debt to Covenant Adjusted EBITDA		
Total Long-Term Borrowings	$ 7,047,681	$ 5,412,458
Less: Cash and cash equivalents	$ 185,663	$ 146,951
Net Debt	$ 6,862,018	$ 5,265,507
Covenant Adjusted EBITDA	$ 1,520,623	$ 1,374,806
Net Debt/Covenant Adjusted EBITDA	4.5	3.8

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

(2) Represents our estimated share of EBITDA primarily from our AIM Services Co., Ltd. equity method investment, not already reflected in our net income attributable to Aramark stockholders. EBITDA for this equity method investee is calculated in a manner consistent with Covenant Adjusted EBITDA but does not represent cash distributions received from this investee.

(3) Represents the annualizing of net EBITDA from certain acquisitions made during the period.

(4) Other for the twelve months ended December 29, 2017 and December 30, 2016, respectively, includes organizational streamlining initiatives ($18.4 million costs and $26.8 million costs), the impact of the change in fair value related to certain gasoline and diesel agreements ($3.3 million loss and $13.8 million gain), expenses related to acquisition costs ($21.7 million and $4.0 million) and other miscellaneous expenses. The twelve months ended December 29, 2017 also includes the estimated impact of natural disasters ($17.0 million, of which $6.1 million related to asset write-downs). The twelve months ended December 30, 2016 also includes property and other asset write-downs associated with the sale of a building ($5.1 million) and asset write-offs (5.0 million).