UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2023

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	**20-8236097**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
2400 Market Street	
Philadelphia, Pennsylvania	**19103**
(Address of principal executive offices)	(Zip Code)

(215) 238-3000

(Registrant's telephone number, including area code)

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

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on which Registered
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 x 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 x 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 x Accelerated filer o Non-accelerated filer o 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 x

As of April 28, 2023, the number of shares of the registrant's common stock outstanding is 260,608,618.

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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," "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, and 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; 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)

	March 31, 2023	September 30, 2022
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 302,692	$ 329,452
Receivables (less allowances: $59,771 and $56,388)	2,353,580	2,147,957
Inventories	609,589	552,386
Prepayments and other current assets	330,695	262,195
Total current assets	3,596,556	3,291,990
Property and Equipment, net	2,015,037	2,032,045
Goodwill	5,581,989	5,515,124
Other Intangible Assets	2,091,797	2,113,726
Operating Lease Right-of-use Assets	646,485	592,145
Other Assets	1,524,217	1,537,406
	$ 15,456,081	$ 15,082,436
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Current maturities of long-term borrowings	$ 110,461	$ 65,047
Current operating lease liabilities	69,111	68,858
Accounts payable	1,137,912	1,322,936
Accrued expenses and other current liabilities	1,650,599	1,829,045
Total current liabilities	2,968,083	3,285,886
Long-Term Borrowings	7,906,636	7,345,860
Noncurrent Operating Lease Liabilities	310,006	305,623
Deferred Income Taxes and Other Noncurrent Liabilities	1,079,979	1,106,587
Commitments and Contingencies (see Note 11)		
Redeemable Noncontrolling Interests	8,104	8,840
Stockholders' Equity:		
Common stock, par value $0.01 (authorized: 600,000,000 shares; issued: 299,830,459 shares and 297,555,924 shares; and outstanding: 260,548,025 shares and 258,728,942 shares)	2,998	2,976
Capital surplus	3,767,067	3,681,966
Retained earnings	477,632	406,784
Accumulated other comprehensive loss	(95,623)	(111,571)
Treasury stock (shares held in treasury: 39,282,434 shares and 38,826,982 shares)	(968,801)	(950,515)
Total stockholders' equity	3,183,273	3,029,640
	$ 15,456,081	$ 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	
	March 31, 2023	April 1, 2022
Revenue	$ 4,602,085	$ 3,860,529
Costs and Expenses:		
Cost of services provided (exclusive of depreciation and amortization)	4,179,411	3,491,238
Depreciation and amortization	136,789	132,285
Selling and general corporate expenses	103,902	95,015
	4,420,102	3,718,538
Operating income	181,983	141,991
Interest and Other Financing Costs, net	114,021	89,685
Income Before Income Taxes	67,962	52,306
Provision for Income Taxes	12,080	16,761
Net income	55,882	35,545
Less: Net loss attributable to noncontrolling interests	(159)	(203)
Net income attributable to Aramark stockholders	$ 56,041	$ 35,748
Earnings per share attributable to Aramark stockholders:		
Basic	$ 0.21	$ 0.14
Diluted	$ 0.21	$ 0.14
Weighted Average Shares Outstanding:		
Basic	260,673	257,100
Diluted	262,537	258,747

	Six Months Ended	
	March 31, 2023	April 1, 2022
Revenue	$ 9,203,083	$ 7,808,789
Costs and Expenses:		
Cost of services provided (exclusive of depreciation and amortization)	8,341,495	7,062,283
Depreciation and amortization	273,273	267,803
Selling and general corporate expenses	206,686	196,465
	8,821,454	7,526,551
Operating income	381,629	282,238
Interest and Other Financing Costs, net	215,366	182,702
Income Before Income Taxes	166,263	99,536
Provision for Income Taxes	36,730	21,284
Net income	129,533	78,252
Less: Net loss attributable to noncontrolling interests	(659)	(107)
Net income attributable to Aramark stockholders	$ 130,192	$ 78,359
Earnings per share attributable to Aramark stockholders:		
Basic	$ 0.50	$ 0.31
Diluted	$ 0.50	$ 0.30
Weighted Average Shares Outstanding:		
Basic	260,063	256,785
Diluted	261,993	258,399

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	
	March 31, 2023	April 1, 2022
Net income	$ 55,882	$ 35,545
Other comprehensive (loss) income, net of tax		
Foreign currency translation adjustments	10,156	6,372
Fair value of cash flow hedges	(22,370)	70,708
Share of equity investee's comprehensive income	82	435
Other comprehensive (loss) income, net of tax	(12,132)	77,515
Comprehensive income	43,750	113,060
Less: Net loss attributable to noncontrolling interests	(159)	(203)
Comprehensive income attributable to Aramark stockholders	$ 43,909	$ 113,263

	Six Months Ended	
	March 31, 2023	April 1, 2022
Net income	$ 129,533	$ 78,252
Other comprehensive income, net of tax		
Pension plan adjustments	—	1,779
Foreign currency translation adjustments	44,993	(698)
Fair value of cash flow hedges	(28,535)	93,485
Share of equity investee's comprehensive (loss) income	(510)	695
Other comprehensive income, net of tax	15,948	95,261
Comprehensive income	145,481	173,513
Less: Net loss attributable to noncontrolling interests	(659)	(107)
Comprehensive income attributable to Aramark stockholders	$ 146,140	$ 173,620

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)

	Six Months Ended	
	March 31, 2023	**April 1, 2022**
Cash flows from operating activities:		
Net income	$ 129,533	$ 78,252
Adjustments to reconcile net income to net cash used in operating activities		
Depreciation and amortization	273,273	267,803
Asset write-downs	35,479	—
Reduction of contingent consideration liability (see Note 13)	(73,891)	—
Deferred income taxes	20,700	5,350
Share-based compensation expense	45,077	47,913
Changes in operating assets and liabilities:		
Receivables	(142,561)	(223,966)
Inventories	(49,053)	(21,920)
Prepayments and Other Current Assets	(20,267)	(15,632)
Accounts Payable	(222,552)	1,091
Accrued Expenses	(219,507)	(250,460)
Payments made to clients on contracts	(85,335)	(14,977)
Other operating activities	16,382	(1,721)
Net cash used in operating activities	(292,722)	(128,267)
Cash flows from investing activities:		
Purchases of property and equipment and other	(202,911)	(173,035)
Disposals of property and equipment	18,623	10,003
Purchases of marketable securities	(69,998)	—
Proceeds from marketable securities	40,000	—
Acquisition of certain businesses, net of cash acquired	(31,182)	(72,556)
Acquisition of certain equity method investments	—	(64,000)
Other investing activities	19,611	9,769
Net cash used in investing activities	(225,857)	(289,819)
Cash flows from financing activities:		
Proceeds from long-term borrowings	174,937	101,878
Payments of long-term borrowings	(52,086)	(42,821)
Net change in funding under the Receivables Facility	395,065	300,000
Payments of dividends	(57,225)	(56,464)
Proceeds from issuance of common stock	34,053	23,703
Other financing activities	(17,417)	(8,483)
Net cash provided by financing activities	477,327	317,813
Effect of foreign exchange rates on cash and cash equivalents	14,492	(3,012)
Decrease in cash and cash equivalents	(26,760)	(103,285)
Cash and cash equivalents, beginning of period	329,452	532,591
Cash and cash equivalents, end of period	$ 302,692	$ 429,306

	Six Months Ended	
(in millions)	**March 31, 2023**	**April 1, 2022**
Interest paid	$ 201.9	$ 173.2
Income taxes paid	22.7	10.6

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)

	Total Stockholders' Equity	Common Stock	Capital Surplus	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock
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	$ 3,143,263	$ 2,996	$ 3,739,583	$ 450,249	$ (83,491)	$ (966,074)
Net income attributable to Aramark stockholders	56,041			56,041		
Other comprehensive loss	(12,132)				(12,132)	
Capital contributions from issuance of common stock	6,452	2	6,450			
Share-based compensation expense	21,034		21,034			
Repurchase of common stock	(2,727)					(2,727)
Payments of dividends ($0.11 per share)	(28,658)			(28,658)		
Balance, March 31, 2023	$ 3,183,273	$ 2,998	$ 3,767,067	$ 477,632	$ (95,623)	$ (968,801)

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)

	Total Stockholders' Equity	Common Stock	Capital Surplus	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock
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	$ 2,784,461	$ 2,953	$ 3,571,779	$ 339,822	$ (190,265)	$ (939,828)
Net income attributable to Aramark stockholders	35,748			35,748		
Other comprehensive income	77,515				77,515	
Capital contributions from issuance of common stock	12,231	5	12,226			
Share-based compensation expense	23,262		23,262			
Repurchase of common stock	(758)					(758)
Payments of dividends ($0.11 per share)	(28,254)			(28,254)		
Balance, April 1, 2022	$ 2,904,205	$ 2,958	$ 3,607,267	$ 347,316	$ (112,750)	$ (940,586)

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 fourth quarter 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 allowed 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* *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					
	March 31, 2023			April 1, 2022		
	Pre-Tax Amount	Tax Effect	After-Tax Amount	Pre-Tax Amount	Tax Effect	After-Tax Amount
Net income			$ 55,882			$ 35,545
Foreign currency translation adjustments	10,658	(502)	10,156	4,179	2,193	6,372
Fair value of cash flow hedges	(30,230)	7,860	(22,370)	95,551	(24,843)	70,708
Share of equity investee's comprehensive income	82	—	82	435	—	435
Other comprehensive (loss) income	(19,490)	7,358	(12,132)	100,165	(22,650)	77,515
Comprehensive income			43,750			113,060
Less: Net loss attributable to noncontrolling interests			(159)			(203)
Comprehensive income attributable to Aramark stockholders			$ 43,909			$ 113,263

	Six Months Ended					
	March 31, 2023			April 1, 2022		
	Pre-Tax Amount	Tax Effect	After-Tax Amount	Pre-Tax Amount	Tax Effect	After-Tax Amount
Net income			$ 129,533			$ 78,252
Pension plan adjustments	—	—	—	2,480	(701)	1,779
Foreign currency translation adjustments	47,727	(2,734)	44,993	(3,931)	3,233	(698)
Fair value of cash flow hedges	(38,561)	10,026	(28,535)	126,331	(32,846)	93,485
Share of equity investee's comprehensive (loss) income	(510)	—	(510)	695	—	695
Other comprehensive income	8,656	7,292	15,948	125,575	(30,314)	95,261
Comprehensive income			145,481			173,513
Less: Net loss attributable to noncontrolling interests			(659)			(107)
Comprehensive income attributable to Aramark stockholders			$ 146,140			$ 173,620

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

	March 31, 2023	September 30, 2022
Pension plan adjustments	$ (7,210)	$ (7,210)
Foreign currency translation adjustments	(168,395)	(213,388)
Cash flow hedges	86,190	114,725
Share of equity investee's accumulated other comprehensive loss	(6,208)	(5,698)
	$ (95,623)	$ (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 and six 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 March 31, 2023. 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 March 31, 2023 and September 30, 2022, cash and cash equivalents at the Captive were $11.6 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 March 31, 2023 and September 30, 2022 was $109.1 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

Starting in December 2022 and continuing into the second quarter of fiscal 2023, 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 at certain of these locations, resulting in an analysis of the recoverability of the assets associated with the locations. As a result, for the three and six months ended March 31, 2023, the Company recorded an impairment charge of $3.3 million and $26.7 million, respectively, 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 and six months ended March 31, 2023, the non-cash impairment charges within the FSS United States segment consisted of operating lease right-of-use assets of $0.7 million and $8.6 million, respectively, and property and equipment of zero and $10.4 million, respectively. For the three and six months ended March 31, 2023, the non-cash impairment charges within the Uniform segment consisted of operating lease right-of-use assets of $2.3 million and $7.1 million, respectively, and other costs of $0.3 million and $0.6 million, respectively.

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 March 31, 2023 and September 30, 2022 was $242.8 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 March 31, 2023 and September 30, 2022 was $180.5 million. On May 8, 2023, the Company executed an agreement to sell a portion of its ownership interest in an equity investment. The transaction is anticipated to close in the Company's fiscal third quarter, subject to the completion of closing documentation.

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 six months ended March 31, 2023 and April 1, 2022.

NOTE 2. SEVERANCE:

During the second quarter of fiscal 2023, the Company approved headcount reductions to streamline and improve the efficiency and effectiveness of operational and administrative functions. As a result of these actions, severance charges of $36.3 million were recorded within “Cost of services provided (exclusive of depreciation and amortization)” and "Selling and general corporate expenses" on the Condensed Consolidated Statements of Income for the three and six months ended March 31, 2023.

The following table summarizes the severance charges by segment recognized in the Condensed Consolidated Statements of Income for the three and six months ended March 31, 2023 (in millions):

FSS United States	$ 3.3
FSS International	25.8
Uniform	6.6
Corporate	0.6
	$ 36.3

As of March 31, 2023, the Company had an accrual of approximately $31.0 million related to these unpaid severance obligations.

NOTE 3. 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 six months ended March 31, 2023 are as follows (in thousands):

Segment	September 30, 2022	Acquisitions	Translation	March 31, 2023
FSS United States	$ 4,150,266	$ 13,767	$ 20	$ 4,164,053
FSS International	401,483	22,622	30,246	454,351
Uniforms	963,375	—	210	963,585
	$ 5,515,124	$ 36,389	$ 30,476	$ 5,581,989

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

	March 31, 2023			September 30, 2022		
	Gross Amount	Accumulated Amortization	Net Amount	Gross Amount	Accumulated Amortization	Net Amount
Customer relationship assets	$ 1,487,245	$ (543,327)	$ 943,918	$ 1,474,588	$ (487,877)	$ 986,711
Trade names	1,159,082	(11,203)	1,147,879	1,133,736	(6,721)	1,127,015
	$ 2,646,327	$ (554,530)	$ 2,091,797	$ 2,608,324	$ (494,598)	$ 2,113,726

Amortization of intangible assets for the six months ended March 31, 2023 and April 1, 2022 was approximately $57.1 million and $54.4 million, respectively.

NOTE 4. BORROWINGS:

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

	March 31, 2023	September 30, 2022
Senior secured revolving credit facility, due April 2026	$ 240,128	$ 90,897
Senior secured term loan facility, due March 2025	1,662,243	1,661,611
Senior secured term loan facility, due April 2026	343,362	334,135
Senior secured term loan facility, due January 2027	835,121	834,619
Senior secured term loan facility, due April 2028	723,777	723,170
5.000% senior notes, due April 2025	548,655	547,981
3.125% senior notes, due April 2025(1)	351,075	317,204
6.375% senior notes, due May 2025	1,489,835	1,487,593
5.000% senior notes, due February 2028	1,142,192	1,141,491
Receivables Facility, due June 2024	500,000	104,935
Finance leases	141,543	147,373
Other	39,166	19,898
	8,017,097	7,410,907
Less—current portion	(110,461)	(65,047)
	$ 7,906,636	$ 7,345,860

(1) This is a Euro denominated borrowing.

As of March 31, 2023, there were approximately $945.1 million of outstanding foreign currency borrowings.

As of March 31, 2023, the Company had approximately $935.3 million of availability under the senior secured revolving credit facility.

NOTE 5. 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 March 31, 2023, which fix the rate on a like amount of variable rate borrowings through December of fiscal 2028. During the first quarter of fiscal 2023, $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 six months ended March 31, 2023.

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 March 31, 2023 and September 30, 2022, $86.2 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 (loss) income (in thousands):

	Three Months Ended	
	March 31, 2023	April 1, 2022
Interest rate swap agreements	$ (16,315)	$ 85,001
	Six Months Ended	
	March 31, 2023	**April 1, 2022**
Interest rate swap agreements	$ (14,331)	$ 103,327

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 March 31, 2023, the Company has contracts for 5.7 million gallons outstanding through December of fiscal 2024. 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 loss of $1.3 million and a gain of $0.7 million for the three and six months ended March 31, 2023. The impact on earnings related to the change in fair value of these unsettled contracts was a gain of $1.1 million and a loss of $0.4 million for the three and six months ended April 1, 2022. 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.

The following table summarizes the location and fair value, using Level 2 inputs (see Note 13 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	March 31, 2023	September 30, 2022
ASSETS			
Designated as hedging instruments:			
Interest rate swap agreements	Prepayments and other current assets	$ —	$ 5,278
Interest rate swap agreements	Other Assets	116,472	149,755
		$ 116,472	$ 155,033
LIABILITIES			
Not designated as hedging instruments:			
Gasoline and diesel fuel agreements	Accounts payable	1,888	2,631
		$ 1,888	$ 2,631

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):

		Three Months Ended	
	Income Statement Location	**March 31, 2023**	**April 1, 2022**
Designated as hedging instruments:			
Interest rate swap agreements	Interest and Other Financing Costs, net	$ (13,915)	$ 10,550
Not designated as hedging instruments:			
Gasoline and diesel fuel agreements	Cost of services provided (exclusive of depreciation and amortization) / Selling and general corporate expenses	2,487	(3,980)
		$ (11,428)	$ 6,570

		Six Months Ended	
	Income Statement Location	**March 31, 2023**	**April 1, 2022**
Designated as hedging instruments:			
Interest rate swap agreements	Interest and Other Financing Costs, net	$ (24,230)	$ 23,004
Not designated as hedging instruments:			
Gasoline and diesel fuel agreements	Cost of services provided (exclusive of depreciation and amortization) / Selling and general corporate expenses	479	(3,945)
		$ (23,751)	$ 19,059

As of March 31, 2023, the Company has an outstanding Japanese yen denominated term loan in the amount of ¥8,409 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, as of March 31, 2023, the Company has a Euro denominated term loan in the amount of €96.4 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 March 31, 2023, 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 $42.8 million.

NOTE 6. 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 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		Six Months Ended	
	March 31, 2023	April 1, 2022	March 31, 2023	April 1, 2022
FSS United States:				
Business & Industry	$ 343.2	$ 243.8	$ 674.7	$ 474.5
Education	983.7	895.4	1,987.3	1,805.4
Healthcare	337.3	301.0	661.9	597.4
Sports, Leisure & Corrections	676.0	450.6	1,460.6	998.7
Facilities & Other	503.0	447.5	979.7	887.7
Total FSS United States	2,843.2	2,338.3	5,764.2	4,763.7
FSS International:				
Europe	552.0	426.8	1,056.2	857.5
Rest of World	521.0	444.1	1,009.5	886.6
Total FSS International	1,073.0	870.9	2,065.7	1,744.1
Uniform	685.9	651.3	1,373.2	1,301.0
Total Revenue	$ 4,602.1	$ 3,860.5	$ 9,203.1	$ 7,808.8

Contract Balances

Deferred income is recognized in "Accrued expenses and other current liabilities" and "Deferred Income Taxes and Other Noncurrent 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 if the deferred income is expected to be recognized in the next 12 months or as noncurrent if the deferred income is expected to be recognized in excess of the next 12 months. 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 six months ended March 31, 2023, 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 six months ended March 31, 2023, the Company recognized $207.9 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):

	March 31, 2023	September 30, 2022
Deferred income	$ 260.3	$ 324.5

NOTE 7. 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 and six months ended March 31, 2023, the Company recorded a benefit to the "Provision for Income Taxes" to the Condensed Consolidated Statements of Income of $3.8 million for the reversal of a valuation allowance at a foreign subsidiary driven by the Company's ability to utilize the deferred tax assets based on future taxable income expected due to the acquisition of a business. During the six months ended April 1, 2022, the Company recorded a benefit to the "Provision for Income Taxes" to the Condensed Consolidated Statements of Income of $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 assets based on future taxable income expected due to the acquisition of a business.

NOTE 8. STOCKHOLDERS' EQUITY:

On May 2, 2023, the Company's Board of Directors approved an $0.11 dividend per share of common stock, payable on May 31, 2023, to stockholders of record on the close of business on May 17, 2023.

The Company has 100.0 million shares of preferred stock authorized, with a par value of $0.01 per share. At March 31, 2023 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.

NOTE 9. 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		Six Months Ended	
	March 31, 2023	April 1, 2022	March 31, 2023	April 1, 2022
TBOs	$ 3.9	$ 3.8	$ 7.6	$ 8.2
TBO-Rs	1.2	1.1	3.1	2.4
RSUs	13.2	14.3	26.8	29.4
PSUs	2.3	1.2	4.4	2.8
Deferred Stock Units	0.5	0.5	0.8	1.0
ESPP[(1)]	—	2.3	2.4	4.1
	$ 21.1	$ 23.2	$ 45.1	$ 47.9
Taxes related to share-based compensation	$ 3.9	$ 4.1	$ 8.1	$ 8.7
Cash Received from Option Exercises/ESPP Purchases	4.5	12.0	34.1	23.7
Tax (Provision) Benefit on Share Deliveries	(0.1)	0.2	0.4	0.1

(1) The Company temporarily suspended its ESPP beginning in the second quarter of fiscal 2023.

The below table summarizes the number of shares granted and the weighted-average grant-date fair value per unit during the six months ended March 31, 2023:

	Shares Granted (in millions)	Weighted Average Grant-Date Fair Value (dollars per share)
TBOs[(1)]	0.9	$ 17.01
RSUs[(1)]	1.3	$ 40.27
PSUs[(1)(2)]	0.5	$ 48.88
	2.7	

(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 10. 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.

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		Six Months Ended	
	March 31, 2023	April 1, 2022	March 31, 2023	April 1, 2022
Earnings:				
Net income attributable to Aramark stockholders	$ 56,041	$ 35,748	$ 130,192	$ 78,359
Shares:				
Basic weighted-average shares outstanding	260,673	257,100	260,063	256,785
Effect of dilutive securities	1,864	1,647	1,930	1,614
Diluted weighted-average shares outstanding	262,537	258,747	261,993	258,399
Basic Earnings Per Share:				
Net income attributable to Aramark stockholders	$ 0.21	$ 0.14	$ 0.50	$ 0.31
Diluted Earnings Per Share:				
Net income attributable to Aramark stockholders	$ 0.21	$ 0.14	$ 0.50	$ 0.30

Share-based awards to purchase 8.6 million and 9.7 million shares were outstanding for the three months ended March 31, 2023 and April 1, 2022, 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 March 31, 2023 and April 1, 2022, respectively, but were not included in the computation of diluted earnings per common share, as the performance targets were not yet met.

Share-based awards to purchase 8.8 million and 9.6 million shares were outstanding for the six months ended March 31, 2023 and April 1, 2022, 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 six months ended March 31, 2023 and April 1, 2022, respectively, but were not included in the computation of diluted earnings per common share, as the performance targets were not yet met.

NOTE 11. 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 $26.9 million at March 31, 2023 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 March 31, 2023.

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 12. 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 9). 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 six months ended March 31, 2023 and April 1, 2022, 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.

Financial information by segment follows (in millions):

	Three Months Ended	
Revenue	**March 31, 2023**	**April 1, 2022**
FSS United States	$ 2,843.2	$ 2,338.3
FSS International	1,073.0	870.9
Uniform	685.9	651.3
	$ 4,602.1	$ 3,860.5

	Three Months Ended	
Operating Income	**March 31, 2023**	**April 1, 2022**
FSS United States	$ 156.0	$ 82.1
FSS International	6.8	37.1
Uniform	55.9	56.0
Total Segment Operating Income	218.7	175.2
Corporate	(36.7)	(33.2)
Total Operating Income	$ 182.0	$ 142.0

	Three Months Ended	
Reconciliation to Income Before Income Taxes	**March 31, 2023**	**April 1, 2022**
Total Operating Income	$ 182.0	$ 142.0
Interest and Other Financing Costs, net	114.0	89.7
Income Before Income Taxes	$ 68.0	$ 52.3

	Six Months Ended	
Revenue	**March 31, 2023**	**April 1, 2022**
FSS United States	$ 5,764.2	$ 4,763.7
FSS International	2,065.7	1,744.1
Uniform	1,373.2	1,301.0
	$ 9,203.1	$ 7,808.8

	Six Months Ended	
Operating Income	**March 31, 2023**	**April 1, 2022**
FSS United States	$ 319.2	$ 181.1
FSS International	33.6	59.8
Uniform	102.4	114.9
Total Segment Operating Income	455.2	355.8
Corporate	(73.6)	(73.6)
Total Operating Income	$ 381.6	$ 282.2

	Six Months Ended	
Reconciliation to Income Before Income Taxes	**March 31, 2023**	**April 1, 2022**
Total Operating Income	$ 381.6	$ 282.2
Interest and Other Financing Costs, net	215.3	182.7
Income Before Income Taxes	$ 166.3	$ 99.5

NOTE 13. 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 March 31, 2023 and September 30, 2022 was $7,968.1 million and $7,153.4 million, respectively. The carrying value of the Company's debt at March 31, 2023 and September 30, 2022 was $8,017.1 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 with a separate amount that will be accounted for as compensation expense to be recognized in the Condensed Consolidated Statements of Income over the earnout period. 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 contingent consideration liability may materially change. During the three and six months ended March 31, 2023, due to lower performance than expected mainly from inflationary cost pressures, the Company adjusted the contingent consideration liability to the fair value of the future expected payment, resulting in income of $29.7 million, which is comprised of the adjusted contingent consideration liability recorded as part of the acquisition and reversal of a portion of compensation expense previously recognized in the Condensed Consolidated Statements of Income since the acquisition. The income is included in "Cost of services provided (exclusive of depreciation and amortization)" on the Condensed Consolidated Statements of Income. The contingent consideration liability at March 31, 2023 and September 30, 2022 was $20.3 million and $45.8 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. During the three and six months ended March 31, 2023, due to continued lower performance than expected mainly from inflationary cost pressures and the reduced probability of prospective business opportunities, the Company adjusted the contingent consideration liability to the fair value of the future expected payment, resulting in income of $18.4 million and $48.4 million, respectively, which is included in "Cost of services provided (exclusive of depreciation and amortization)" on the Condensed Consolidated Statements of Income. The fair value of the contingent consideration liability at March 31, 2023 and September 30, 2022 was zero and $48.4 million, respectively.

NOTE 14. SUBSEQUENT EVENTS:

Sale of Certain Investments

On April 6, 2023, the Company sold its 50% ownership interest in AIM Services Co., Ltd., a leading Japanese food services company, to Mitsui & Co., Ltd. for $535 million in a taxable transaction.

Repayment of Borrowings

On April 17, 2023, the Company repaid $468.0 million of United States dollar denominated term loan, due 2025, and ¥8,409.0 million ($63.0 million) of yen denominated term loan, due 2026.

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 and six months ended March 31, 2023 and April 1, 2022 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

Continued volatility of global economies and financial markets caused by global events and other factors, including the ongoing conflict between Russia and Ukraine, have caused inflation in product, energy and labor costs, have increased market interest rates and have driven significant changes in foreign currencies. We continue to evaluate and react to the effects of prolonged global economic disruptions, including items such as inflationary pressures on product and energy costs, greater labor challenges and the financial condition of our clients in certain businesses. We expect these challenges to continue throughout the remainder of fiscal 2023, and we regularly evaluate and take appropriate actions to mitigate risk in these areas. This includes addressing inflation and global supply chain disruption through management of operating costs, including supply chain initiatives and pricing pass-throughs.

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 fourth quarter 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 April 6, 2023, we sold our 50% ownership interest in AIM Services Co., Ltd., a leading Japanese food services company, to Mitsui & Co., Ltd. for $535 million in a taxable transaction.

On May 8, 2023, we executed an agreement to sell a portion of our ownership interest in an equity investment. The transaction is anticipated to close in our fiscal third quarter, subject to the completion of closing documentation.

Repayment of Borrowings

On April 17, 2023, we repaid $468.0 million of United States dollar denominated term loan, due 2025, and ¥8,409.0 million ($63.0 million) of yen denominated term loan, due 2026.

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.

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 and six months ended March 31, 2023 and April 1, 2022 (in millions).

	Three Months Ended		Change	
	March 31, 2023	April 1, 2022	$	%
Revenue	$ 4,602.1	$ 3,860.5	$ 741.6	19.2 %
Costs and Expenses:				
Cost of services provided (exclusive of depreciation and amortization)	4,179.4	3,491.2	688.2	19.7 %
Other operating expenses	240.7	227.3	13.4	5.9 %
	4,420.1	3,718.5	701.6	18.9 %
Operating income	182.0	142.0	40.0	28.2 %
Interest and Other Financing Costs, net	114.0	89.7	24.3	27.1 %
Income Before Income Taxes	68.0	52.3	15.7	29.9 %
Provision for Income Taxes	12.2	16.8	(4.6)	(27.4)%
Net income	$ 55.8	$ 35.5	$ 20.3	57.2 %

	Three Months Ended		Change	
Revenue by Segment(1)	March 31, 2023	April 1, 2022	$	%
FSS United States	$ 2,843.2	$ 2,338.3	$ 504.9	21.6 %
FSS International	1,073.0	870.9	202.1	23.2 %
Uniform	685.9	651.3	34.6	5.3 %
	$ 4,602.1	$ 3,860.5	$ 741.6	19.2 %

	Three Months Ended		Change	
Operating Income by Segment	March 31, 2023	April 1, 2022	$	%
FSS United States	$ 156.0	$ 82.1	$ 73.9	89.9 %
FSS International	6.8	37.1	(30.3)	(81.4)%
Uniform	55.9	56.0	(0.1)	(0.2)%
Corporate	(36.7)	(33.2)	(3.5)	10.5 %
	$ 182.0	$ 142.0	$ 40.0	28.2 %

(1) As a percentage of total revenue, FSS United States represented 61.8% and 60.6%, FSS International represented 23.3% and 22.5% and Uniform represented 14.9% and 16.9% for the three months ended March 31, 2023 and April 1, 2022, respectively.

	Six Months Ended		Change	
	March 31, 2023	April 1, 2022	$	%
Revenue	$ 9,203.1	$ 7,808.8	$ 1,394.3	17.9 %
Costs and Expenses:				
Cost of services provided (exclusive of depreciation and amortization)	8,341.5	7,062.3	1,279.2	18.1 %
Other operating expenses	480.0	464.3	15.7	3.4 %
	8,821.5	7,526.6	1,294.9	17.2 %
Operating income	381.6	282.2	99.4	35.2 %
Interest and Other Financing Costs, net	215.3	182.7	32.6	17.9 %
Income Before Income Taxes	166.3	99.5	66.8	67.0 %
Provision for Income Taxes	36.8	21.3	15.5	72.6 %
Net income	$ 129.5	$ 78.2	$ 51.3	65.5 %

	Six Months Ended		Change	
Revenue by Segment(2)	March 31, 2023	April 1, 2022	$	%
FSS United States	$ 5,764.2	$ 4,763.7	$ 1,000.5	21.0 %
FSS International	2,065.7	1,744.1	321.6	18.4 %
Uniform	1,373.2	1,301.0	72.2	5.6 %
	$ 9,203.1	$ 7,808.8	$ 1,394.3	17.9 %

	Six Months Ended		Change	
Operating Income by Segment	March 31, 2023	April 1, 2022	$	%
FSS United States	$ 319.2	$ 181.1	$ 138.1	76.2 %
FSS International	33.6	59.8	(26.2)	(43.7)%
Uniform	102.4	114.9	(12.5)	(10.9)%
Corporate	(73.6)	(73.6)	—	(0.1)%
	$ 381.6	$ 282.2	$ 99.4	35.2 %

(2) As a percentage of total revenue, FSS United States represented 62.6% and 61.0%, FSS International represented 22.5% and 22.3% and Uniform represented 14.9% and 16.7% for the six months ended March 31, 2023 and April 1, 2022, respectively.

Consolidated Overview

Revenue increased by approximately 19.2% and 17.9% during the three and six month periods of fiscal 2023 compared to the prior year periods, respectively. The increase during these periods 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 $67.0 million and $139.3 million during the three and six month periods of fiscal 2023, respectively. Foreign currency translation unfavorably impacted revenue for the three and six month periods of fiscal 2023 (approximately 2.0% and 2.6%).

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 and six months ended March 31, 2023 and April 1, 2022 (in millions).

	Three Months Ended				Six Months Ended			
	March 31, 2023		April 1, 2022		March 31, 2023		April 1, 2022	
Cost of services provided (exclusive of depreciation and amortization)	**$**	**% of Revenue**	**$**	**% of Revenue**	**$**	**% of Revenue**	**$**	**% of Revenue**
FSS United States	$ 2,571.9	90.5 %	$ 2,148.6	91.9 %	$ 5,213.6	90.4 %	$ 4,364.2	91.6 %
FSS International	1,044.7	97.4 % (1)	811.5	93.2 %	1,990.1	96.3 %	1,639.9	94.0 %
Uniform	562.8	82.1 %	531.1	81.5 %	1,137.8	82.9 %	1,058.2	81.3 %
	$ 4,179.4	90.8 %	$ 3,491.2	90.4 %	$ 8,341.5	90.6 %	$ 7,062.3	90.4 %

(1) The three and six months ended March 31, 2023 were impacted by $25.8 million of severance charges (see Note 2 to the condensed consolidated financial statements).

The following table presents the percentages attributable to the components in cost of services provided (exclusive of depreciation and amortization) for the three and six months ended March 31, 2023 and April 1, 2022.

	Three Months Ended		Six Months Ended	
Cost of services provided (exclusive of depreciation and amortization) components	**March 31, 2023**	**April 1, 2022**	**March 31, 2023**	**April 1, 2022**
Food and support service costs(2)	29.1 %	25.7 %	29.2 %	25.6 %
Personnel costs(3)	47.4 %	49.7 %	46.6 %	48.8 %
Other direct costs(4)	23.5 %	24.6 %	24.2 %	25.6 %
	100.0 %	100.0 %	100.0 %	100.0 %

(2) Food and support service costs represented a higher proportion of total cost of services provided (exclusive of depreciation and amortization) during the three and six months ended March 31, 2023 mainly from product cost inflation and volume increases due to revenue growth.

(3) Personnel costs decreased as a percentage of total cost of services provided (exclusive of depreciation and amortization) during the three and six months ended March 31, 2023 due to food and support service costs increasing at a higher proportion as compared to personnel costs.

(4) Other direct costs represented a lower proportion of total cost of services provided (exclusive of depreciation and amortization) during the three and six months ended March 31, 2023 driven by the increase in food and support service costs. In addition, the three and six months ended March 31, 2023 were impacted by $48.1 million and $73.9 million, respectively, of non-cash income from the reduction of contingent consideration liabilities related to acquisition earn outs (see Note 13 to the condensed consolidated financial statements), net of impairment charges of operating lease right of use assets, property and equipment and other costs related to certain real estate properties of $3.3 million and $26.7 million, respectively, (see Note 1 to the condensed consolidated financial statements).

Operating income increased by approximately $40.0 million and $99.4 million during the three and six month periods of fiscal 2023 compared to the prior year periods, respectively, driven by base business growth, including from volume recovery from COVID-19, effective cost management and non-cash income from the reduction of the contingent consideration liabilities related to acquisition earn outs, net of expense ($48.1 million and $73.9 million) (see Note 13 to the condensed consolidated financial statements). The increase in operating income during the six month period of fiscal 2023 also benefited from a higher gain relating to the recovery of our investment (possessory interest) at one of the National Park Service sites ($10.8 million) and automotive liability and workers' compensation liability programs when compared to the six month period of fiscal 2022 ($10.4 million).

These increases in operating income during the three and six month periods of fiscal 2023 more than offset severance charges ($36.3 million for the three and six month periods) (see Note 2 to the condensed consolidated financial statements), the prior year labor related tax credits provided from governmental assistance programs ($21.0 million and $33.2 million), impairment charges of operating lease right-of-use assets, property and equipment and other costs related to certain real estate properties ($3.3 million and $26.7 million) (see Note 1 to the condensed consolidated financial statements), personnel and other expenses related to our intention to spin-off the Uniform segment ($5.4 million and $10.4 million) and increased inflationary costs in product, energy and labor.

Interest and Other Financing Costs, net, increased 27.1% and 17.9% during the three and six month periods of fiscal 2023 compared to the prior year periods, respectively. The increase during the three and six month periods of fiscal 2023 was primarily due to higher interest rates related to our senior secured term loan facilities and interest from increased borrowings under the Receivables Facility and revolving credit facility.

The provision for income taxes for the three and six month periods of fiscal 2023 was recorded at an effective tax rate of 17.8% and 22.1%, respectively. During the three and six month periods ended March 31, 2023, we recorded an income tax benefit of approximately $3.8 million for the reversal of a valuation allowance against deferred tax assets within a foreign subsidiary due to an acquisition of a business (see Note 7 to the condensed consolidated financial statements). The provision for income taxes for the three and six month periods of fiscal 2022 was recorded at an effective tax rate of 32.0% and 21.4%, respectively. Both the three and six month periods of fiscal 2022 were impacted by unfavorable tax adjustments. During the six month period ended April 1, 2022, 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 (see Note 7 to the condensed consolidated financial statements).

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	Six Months Ended		Change
	March 31, 2023	April 1, 2022	%	March 31, 2023	April 1, 2022	%
Business & Industry	$ 343.2	$ 243.8	40.8 %	$ 674.7	$ 474.5	42.2 %
Education	983.7	895.4	9.9 %	1,987.3	1,805.4	10.1 %
Healthcare	337.3	301.0	12.1 %	661.9	597.4	10.8 %
Sports, Leisure & Corrections	676.0	450.6	50.0 %	1,460.6	998.7	46.3 %
Facilities & Other	503.0	447.5	12.4 %	979.7	887.7	10.4 %
	$ 2,843.2	$ 2,338.3	21.6 %	$ 5,764.2	$ 4,763.7	21.0 %

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 from the sectors within the FSS United States reportable segment 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 21.6% and 21.0% during the three and six month periods of fiscal 2023 compared to the prior year periods, respectively. The increase during the three and six month periods of fiscal 2023 was primarily attributable to base business growth, net new business growth and 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 $67.0 million and $139.3 million of revenue during the three and six month periods of fiscal 2023, respectively. The Business & Industry sector increased due to client personnel continuing to return to office locations along with pricing pass-throughs.

Operating income increased by approximately $73.9 million and $138.1 million during the three and six month periods of fiscal 2023 compared to the prior year periods, respectively. The increase was primarily attributable to growth in base business, non-cash income from the reduction of the contingent consideration liabilities related to acquisition earn outs, net of expense ($48.1 million and $73.9 million) (see Note 13 to the condensed consolidated financial statements) and effective cost management. The increases were partially offset by non-cash charges for the impairment of operating lease right-of-use assets and property and equipment related to certain real estate properties ($0.7 million and $19.0 million) (see Note 1 to the condensed consolidated financial statements), non-cash charges related to information technology assets ($6.1 million for the three and six month periods), increased inflationary product costs and expenses related to opening new business.

The increase in operating income during the six month period of fiscal 2023 also benefited from a higher gain related to the recovery of our investment (possessory interest) at one of the National Park Service sites ($10.8 million) and from the higher income related to favorable loss experience under our general liability, automotive liability and workers' compensation liability programs (approximately $10.4 million) when compared to the six month period of fiscal 2022.

FSS International Segment

FSS International segment revenue increased by approximately 23.2% and 18.4% during the three and six month periods of fiscal 2023 compared to the prior year periods, respectively. The increase during the three and six month periods of fiscal 2023 was primarily attributable to base business growth, net new business growth and pricing pass-throughs. The growth in revenue for the three and six month periods of fiscal 2023 was partially offset by the negative impact of foreign currency translation (8.0% and 11.0%).

Operating income decreased by approximately $30.3 million and $26.2 million during the three and six month periods of fiscal 2023 compared to the prior year periods, respectively. The decrease during the three and six month periods of fiscal 2023 was mainly attributable to severance charges ($25.8 million for the three and six month periods) (see Note 2 to the condensed consolidated financial statements), the prior year labor related tax credits provided from governmental assistance programs ($21.0 million and $33.2 million) and inflationary costs in product and labor, which more than offset growth in base and net new business. The decrease in operating income during the six month period of fiscal 2023 was also attributable to non-cash charges for the impairment of certain assets related to a business held-for-sale ($5.2 million).

Uniform Segment

Uniform segment revenue increased by approximately 5.3% and 5.6% during the three and six month periods of fiscal 2023 compared to the prior year period, respectively, primarily due to improved pricing.

Operating income decreased by approximately $0.1 million and $12.5 million during the three and six month periods of fiscal 2023 compared to the prior year periods, respectively. The decrease in operating income during the three and six month period of fiscal 2023 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 ($2.6 million and $7.7 million) (see Note 1 to the condensed consolidated financial statements), personnel and other expenses related to our intention to spin-off the Uniform segment ($3.4 million and $7.0 million), severance charges ($6.6 million for the three and six month periods) (see Note 2 to the condensed consolidated financial statements) and increased inflationary costs in product, energy and labor, which more than offset increased pricing and the gain from the sale of land ($6.8 million).

Corporate

Corporate expenses, those administrative expenses not allocated to the business segments, increased by $3.5 million and had an immaterial change during the three and six month periods of fiscal 2023 compared to the prior year periods, respectively. The increase during the three month period of fiscal 2023 was mainly attributable to the unfavorable change in fair value of certain gasoline and diesel agreements ($4.5 million).

Liquidity and Capital Resources

Overview

As of March 31, 2023, we had $302.7 million of cash and cash equivalents and approximately $935.3 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 March 31, 2023, there were approximately $945.1 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):

	Six Months Ended	
	March 31, 2023	April 1, 2022
Net cash used in operating activities	$ (292.7)	$ (128.3)
Net cash used in investing activities	(225.9)	(289.8)
Net cash provided by financing activities	477.3	317.8

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 $292.7 million during the six month period of fiscal 2023, compared to $128.3 million for the six 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 six month period of fiscal 2023 compared to the six month period of fiscal 2022 as discussed in "Results of Operations" above. The $143.1 million change in operating assets and liabilities compared to the prior year period was primarily due to:

- Accounts payable by $223.6 million, resulting in a use of cash during the six month period of fiscal 2023 compared to a source of cash during the six month period of fiscal 2022 from the timing of disbursements; and
- Inventory by $27.1 million, resulting in a higher use of cash during the six month period of fiscal 2023 compared to the six month period of fiscal 2022 due to growth within our uniform rental business.

These changes in operating assets and liabilities more than offset:

- Receivables by $81.4 million, resulting in a lower use of cash during the six month period of fiscal 2023 compared to the six 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; and
- Accrued expenses by $31.0 million, resulting in a lower use of cash during the six month period of fiscal 2023 compared to the six month period of fiscal 2022 primarily due to the current period severance charges (see Note 2 to the condensed consolidated financial statements).

The six month period of fiscal 2022 included approximately $44.7 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 six month periods of fiscal 2023 and fiscal 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 six month period of fiscal 2023 compared to the six month period of fiscal 2022 in "Payments made to clients on contracts" was driven primarily due to contract renewals, new business and timing of payments. 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

During the six month period of fiscal 2023, cash used in investing activities was primarily impacted by purchases of property and equipment and other ($202.9 million), purchase of United States Treasury securities related to our captive insurance subsidiary ($70.0 million) and acquisitions of certain businesses ($31.2 million) offset by proceeds from the maturity of United States Treasury securities related to our captive insurance subsidiary ($40.0 million).

During the six month period of fiscal 2022, cash used in investing activities was primarily impacted by purchases of property and equipment and other ($173.0 million), acquisitions of certain businesses ($72.6 million) and certain equity method investments ($64.0 million).

The "Other investing activities" caption includes $19.8 million and $9.0 million of proceeds received during the six 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 six 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 ($134.8 million).

During the six month period of fiscal 2022, cash provided by financing activities was primarily impacted by borrowings under the Receivables Facility ($300.0 million).

The "Other financing activities" caption also reflects a use of cash during the six 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 March 31, 2023, 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 stockholders, 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.

	Twelve Months Ended	
(in millions)	**March 31, 2023**	**April 1, 2022**
Net income attributable to ASI stockholders	$ 246.3	$ 146.3
Interest and other financing costs, net	405.4	387.4
Provision for income taxes	76.9	33.4
Depreciation and amortization	537.8	542.6
Share-based compensation expense[1]	92.7	84.1
Unusual or non-recurring losses and (gains)[2][3]	5.2	(77.1)
Pro forma EBITDA for equity method investees[4]	6.9	10.5
Pro forma EBITDA for certain transactions[5]	7.6	5.2
Other[6][7]	84.9	(9.0)
Covenant Adjusted EBITDA	$ 1,463.7	$ 1,123.4

(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 9 to the condensed consolidated financial statements).

(2) For the twelve months ended March 31, 2023 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 April 1, 2022 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 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 March 31, 2023 includes the reversal of contingent consideration liabilities related to acquisition earn outs, net of expense ($89.0 million), severance charges ($54.0 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 ($38.7 million), non-cash charges for the impairment of operating lease right-of-use

assets and property and equipment ($29.3 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), charges related to our intention to spin-off the Uniform segment ($19.7 million), the loss from the change in fair value related to certain gasoline and diesel agreements ($7.2 million), the gain from the sale of land ($6.8 million), the gain from a funding agreement related to a legal matter ($6.5 million), the impact of hyperinflation in Argentina ($6.4 million), non-cash charges related to information technology assets ($6.1 million), pension withdrawal charges ($4.7 million), the favorable impact related to a client contract dispute ($4.0 million), legal settlement charges ($2.7 million) and other miscellaneous expenses.

(7) "Other" for the twelve months ended April 1, 2022 includes 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 ($57.3 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 ($29.7 million), non-cash charges for inventory write-downs to net realizable value and for excess inventory related to personal protective equipment ($24.4 million), expenses related to merger and integration related charges ($16.1 million), the gain from a funding agreement related to a legal matter ($10.0 million), reversal of severance charges ($7.9 million), reversal of charges related to a client contract dispute ($5.7 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), due diligence charges related to acquisitions ($3.1 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 March 31, 2023 are as follows:

	Covenant Requirement	Actual Ratio
Consolidated Secured Debt Ratio(1)	≤ 5.125x	2.85x
Interest Coverage Ratio (Fixed Charge Coverage Ratio)(2)	≥ 2.000x	3.56x

(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 March 31, 2023. 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 March 31, 2023 and September 30, 2022, cash and cash equivalents at the Captive were $11.6 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 March 31, 2023 and September 30, 2022 was $109.1 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 March 31, 2023 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 4 to the condensed consolidated financial statements related to the changes in our debt levels. See Note 5 to the condensed consolidated financial statements for a discussion of our derivative instruments and Note 13 for the disclosure of the fair value and related carrying value of our debt obligations as of March 31, 2023.

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 second 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 March 31, 2023.

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 May 9, 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
10.1*	Form of Annual Deferred Stock Unit Grant Agreement under the Aramark 2023 Stock Incentive Plan
10.2*	Form of Quarterly Deferred Retainer Grant Agreement under the Aramark 2023 Stock Incentive Plan.
31.1*	Certification of John J. Zillmer, Chief Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Thomas G. Ondrof, Chief Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	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.
101	The following financial information from Aramark's Quarterly Report on Form 10-Q for the period ended March 31, 2023 formatted in inline XBRL: (i) Condensed Consolidated Balance Sheets as of March 31, 2023 and September 30, 2022; (ii) Condensed Consolidated Statements of Income for the three and six months ended March 31, 2023 and April 1, 2022; (iii) Condensed Consolidated Statements of Comprehensive Income for the three and six months ended March 31, 2023 and April 1, 2022; (iv) Condensed Consolidated Statements of Cash Flows for the six months ended March 31, 2023 and April 1, 2022; (v) Condensed Consolidated Statements of Stockholders' Equity for the three and six months ended March 31, 2023 and April 1, 2022; and (vi) Notes to condensed consolidated financial statements.
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.

ARAMARK
2023 STOCK INCENTIVE PLAN
FORM OF DEFERRED STOCK UNIT AWARD

THIS AWARD (this "Award") between **ARAMARK (formerly known as ARAMARK Holdings Corporation)**, a Delaware corporation (the "Company"), and the Participant set forth on the certificate of grant (the "Certificate of Grant") attached to this Agreement (the "Participant") is made as of the Date of Grant set forth on the Certificate of Grant (the "Grant Date"). All capitalized terms not defined herein shall have the meaning set forth in the ARAMARK Holdings Corporation 2023 Stock Incentive Plan (the "Plan").

WHEREAS, the Company, acting through the Committee (as such term is defined in the Plan) with the consent of the Company's Board of Directors (the "Board") determined that it is in the best interests of the Company to grant to the Participant on the Grant Date, under the Plan, an Award of a number of deferred stock units on the terms and subject to the conditions set forth in this Award, the Plan and the Certificate of Grant.

NOW, THEREFORE, in consideration of the promises and of the mutual agreements contained in this Award, the parties hereto hereby agree as follows:

1. Grant of DSUs

Effective on the Grant Date, the Company hereby grants the number of Deferred Stock Units ("DSUs") listed on the attached Certificate of Grant to the Participant, on the terms and conditions hereinafter set forth. This grant is made pursuant to and subject to the terms of the Plan. Capitalized terms not otherwise defined in this Award shall have the meaning ascribed to them in the Plan.

2. Vesting and Payment of Shares

(a) Subject to Participant's continued service on the Board of Directors of the Company, the DSUs will become vested on the day prior to the first annual stockholders' meeting of the Company occurring after the Grant Date (the "Vesting Date"). In the event Participant's service on the Board of Directors of the Company ceases for any reason prior to the Vesting Date, all unvested DSUs granted hereunder shall be cancelled without consideration. Subject to Section 2(c) below, the Company shall, subject to the terms and conditions of this Award, transfer to the Participant a number of shares of Common Stock ("Shares") equal to the number of vested DSUs granted to the Participant under this Award on the first day of the seventh month after the date on which Participant ceases to serve as a member of the Board of Directors of the Company (in whole Shares only with the Participant receiving a cash payment equal to the Fair Market Value of any fractional Share on or about the transfer date); provided, however, that in the event the Participant files a timely election with the Company with respect to this Award (in accordance with rules established by the Company from time to time) to receive the Shares upon the Vesting Date, then such Shares shall instead be delivered to the Participant on the Vesting Date (in whole Shares only with the Participant receiving a cash payment equal to the Fair Market Value of any fractional Share on or about the transfer date).

(b) Subject to Section 2(c) below, in the event of a Change of Control, Shares equal to all outstanding DSUs (whether vested or unvested) hereunder shall be distributed to the Participant immediately prior to the Change of Control; provided that the Committee may determine that, in lieu of Shares and/or fractional Shares, the Participant shall receive a cash payment equal to the Fair Market Value of such Shares (or fractional Shares, as the case may be) on such Change of Control.

(c) Upon each transfer of (or cash payment in lieu of) Shares in accordance with Sections 2(a) or 2(b) of this Award, DSUs with respect to which Shares have been transferred hereunder shall be extinguished.

3. Dividends

If on any date while DSUs are outstanding hereunder the Company shall pay any dividend on the Shares (other than a dividend payable in Shares), the number of DSUs granted to the Participant shall, as of such dividend payment date, be increased by a number of DSUs equal to: (a) the product of (x) the number of DSUs held by the Participant as of the related dividend record date, multiplied by (y) a dollar amount equal to the per Share amount of any cash dividend (or, in the case of any dividend payable in whole or in part other than in cash or Shares, the per Share value of such dividend, as determined in good faith by the Committee), divided by (b) the Fair Market Value of a Share on the payment date of such dividend. In the case of any dividend declared on Shares that is payable in the form of Shares, the number of DSUs granted to the Participant shall be increased by a number equal to the product of (I) the aggregate number of DSUs that have been held by the Participant through the related dividend record date, multiplied by (II) the number of Shares (including any fraction thereof) payable as a dividend on a Share. Shares shall be transferred with respect to all additional DSUs granted pursuant to this Section 3 at the same time as Shares are transferred with respect to the DSUs to which such additional DSUs were attributable, as set forth in Section 2 above.

4. Adjustments Upon Certain Events

In the event of any event described in Section 12 of the Plan, the DSUs shall be adjusted pursuant to the terms thereof; provided that such adjustment shall be consistent with the requirements of Section 409A of the Code.

5. No Right to Continued Service as a Director

Neither the Plan nor this Award shall be construed as giving the Participant the right to continue to serve as a director of the Company. Further, the Company may at any time cease to nominate the Participant for reelection to the Board, free from any liability or any claim under the Plan or this Award, except as otherwise expressly provided herein.

6. No Acquired Rights

In participating in the Plan, the Participant acknowledges and accepts that the Committee or the Board has the power to amend or terminate the Plan at any time and that the opportunity given to the Participant to participate in the Plan is entirely at the discretion of the Committee or the Board and does not obligate the Company or any of its Affiliates to offer such participation in the future (whether on the same or different terms).

7. No Rights of a Shareholder

The Participant shall not have any rights as a shareholder of the Company until the Shares in question have been registered in the Company's register of shareholders.

8. Transferability

DSUs may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by the Participant otherwise than by will or by the laws of descent and distribution, and any purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance not permitted by this Section 8 shall be void and unenforceable against the Company or any Affiliate.

9. Choice of Law

THE INTERPRETATION, PERFORMANCE AND ENFORCEMENT OF THE PARTICIPANT'S RIGHTS WITH RESPECT TO THE DSUs SHALL BE GOVERNED BY THE

LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW.

10. DSUs Subject to Plan

All DSUs are subject to the Plan. In the event of a conflict between any term or provision contained herein and a term or provision of the Plan, the applicable terms and provisions of the Plan will govern and prevail.

11. Section 409A

The provisions of Section 14(v) of the Plan are hereby incorporated by reference and made a part hereof.

Name: [Participant]

Date: [Acceptance Date]

[Note: Grant will be accepted electronically.]

Aramark
2023 STOCK INCENTIVE PLAN
FORM OF DEFERRED STOCK UNIT AWARD
(DSU Deferral Election)

THIS AWARD (this "Award") between Aramark, a Delaware corporation (the "Company"), and the Participant set forth on the certificate of grant (the "Certificate of Grant") attached to this Agreement (the "Participant") is made as of the Date of Grant set forth on the Certificate of Grant (the "Grant Date"). All capitalized terms not defined herein shall have the meaning set forth in the Aramark (formerly known as ARAMARK Holdings Corporation) 2023 Stock Incentive Plan (the "Plan").

WHEREAS, the Participant is a director on the Company's Board of Directors (the "Board") and has made a timely election to receive all or a portion of the cash board retainer fee payable to the Participant in the form of deferred stock units ("DSUs");

WHEREAS, the Company has determined that it is in the best interests of the Company to grant to the Participant on the Grant Date, under the Plan, an Award of a number of DSUs on the terms and subject to the conditions set forth in this Award, the Plan and the Certificate of Grant.

NOW, THEREFORE, in consideration of the promises and of the mutual agreements contained in this Award, the parties hereto hereby agree as follows:

1. Grant of DSUs

Effective on the Grant Date, the Company hereby grants the number of DSUs listed on the attached Certificate of Grant to the Participant, on the terms and conditions hereinafter set forth. This grant is made pursuant to and subject to the terms of the Plan. Capitalized terms not otherwise defined in this Award shall have the meaning ascribed to them in the Plan.

2. Payment of Shares

(a) Subject to Section 2(c) below, the Company shall, subject to the terms and conditions of this Award, transfer to the Participant a number of shares of Common Stock ("Shares") equal to the number of DSUs granted to the Participant under this Award on the first day of the seventh month after the date on which Participant ceases to serve as a member of the Board of Directors of the Company (in whole Shares only with the Participant receiving a cash payment equal to the Fair Market Value of any fractional Share on or about the transfer date).

(b) Subject to Section 2(c) below, in the event of a Change of Control, Shares equal to all outstanding DSUs hereunder shall be distributed to the Participant immediately prior to the Change of Control; provided that the Committee may determine that, in lieu of Shares and/or fractional Shares, the Participant shall receive a cash payment equal to the Fair Market Value of such Shares (or fractional Shares, as the case may be) on such Change of Control.

(c) Upon each transfer of (or cash payment in lieu of) Shares in accordance with Sections 2(a) or 2(b) of this Award, DSUs with respect to which Shares have been transferred hereunder shall be extinguished.

3. Dividends

If on any date while DSUs are outstanding hereunder the Company shall pay any dividend on the Shares (other than a dividend payable in Shares), the number of DSUs granted to the Participant shall, as of such dividend payment date, be increased by a number of DSUs equal to: (a) the product of (x) the number of DSUs held by the Participant as of the related dividend record date, multiplied by (y) a dollar amount equal to the per Share amount of any cash dividend (or, in the case of any dividend payable in whole or in part other than in cash or Shares, the per Share value of such dividend, as determined in good faith by the Committee), divided by (b) the Fair Market Value of a Share on the payment date of such dividend. In the case of any dividend declared on Shares that is payable in the form of Shares, the number of DSUs granted to the Participant shall be increased by a number equal to the product of (I) the aggregate number of DSUs that have been held by the Participant through the related dividend record date, multiplied by (II) the number of Shares (including any fraction thereof) payable as a dividend on a Share. Shares shall be transferred with respect to all additional DSUs granted pursuant to this Section 3 at the same time as Shares are transferred with respect to the DSUs to which such additional DSUs were attributable, as set forth in Section 2 above.

4. Adjustments Upon Certain Events

In the event of any event described in Section 12 of the Plan, the DSUs shall be adjusted pursuant to the terms thereof; provided that such adjustment shall be consistent with the requirements of Section 409A of the Code.

5. No Right to Continued Service as a Director

Neither the Plan nor this Award shall be construed as giving the Participant the right to continue to serve as a director of the Company. Further, the Company may at any time cease to nominate the Participant for reelection to the Board, free from any liability or any claim under the Plan or this Award, except as otherwise expressly provided herein.

6. No Acquired Rights

In participating in the Plan, the Participant acknowledges and accepts that the Committee or the Board has the power to amend or terminate the Plan at any time and that the opportunity given to the Participant to participate in the Plan is entirely at the discretion of the Committee or the Board and does not obligate the Company or any of its Affiliates to offer such participation in the future (whether on the same or different terms).

7. No Rights of a Shareholder

The Participant shall not have any rights as a shareholder of the Company until the Shares in question have been registered in the Company's register of shareholders.

8. Transferability

DSUs may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by the Participant otherwise than by will or by the laws of descent and distribution, and any purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance not permitted by this Section 8 shall be void and unenforceable against the Company or any Affiliate.

9. Choice of Law

THE INTERPRETATION, PERFORMANCE AND ENFORCEMENT OF THE PARTICIPANT'S RIGHTS WITH RESPECT TO THE DSUs SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW.

10. DSUs Subject to Plan

All DSUs are subject to the Plan. In the event of a conflict between any term or provision contained herein and a term or provision of the Plan, the applicable terms and provisions of the Plan will govern and prevail.

11. Section 409A

The provisions of Section 14(v) of the Plan are hereby incorporated by reference and made a part hereof.

Name: [Participant]

Date: [Acceptance Date]

[Note: Grant will be accepted electronically.]

EXHIBIT 31.1

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 March 31, 2023;
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: May 9, 2023

EXHIBIT 31.2

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 March 31, 2023;
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: May 9, 2023

EXHIBIT 32.1

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 March 31, 2023, 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: May 9, 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.