



ARAMARK ANNUAL REPORT



Our name is synonymous with hospitality.

That's who we are.

—John Zillmer





A Message From Our Chief Executive Officer

To Our Shareholders,

Aramark's performance in fiscal 2023 reflected the continued momentum we've established and represented another significant step toward delivering on our strategic and financial goals as we drove strong results in a challenging environment.

Our fiscal 2023 performance speaks to this progress:

- Our profitable growth mindset is well established across the organization, as our third consecutive year of strong Net New Business performance demonstrates;
- Revenue and Organic Revenue increased 15% and 16%, respectively, compared to the prior year, and both Operating Income and Adjusted Operating Income (AOI) grew at more than twice those rates, resulting in significant AOI margin expansion;
- We strengthened our balance sheet through focused cash management and strategic asset optimization, leading to net debt reduction of more than \$800 million in the fiscal year, and a 1.4x improvement in our leverage ratio; and
- EPS increased 243% led by the gain on sales from our non-controlling equity investments, and Adjusted EPS increased by 50% year-over-year on a constant currency basis.

The spin-off of our Uniform Services business—now its own public company called Vestis—was a major milestone right after the end of the fiscal year, and we expect it to result in enhanced performance and value creation for both organizations as we each pursue our distinct strategic visions.

With the spin-off complete, Aramark enters a new era solely focused on food and facilities, empowered by our 262,550 dedicated, hospitality-driven, customer-centric team members across the globe.

For People and the Planet

As we move into fiscal 2024, we remain centered on our people and our teams, and dedicated to our stakeholders, who include our clients, employees, shareholders, the communities in which we serve, and the planet we all share.

We are committed to creating a welcoming and inclusive culture across the organization, and diversity, equity, and inclusion (DEI) will continue to be a top priority for us. We believe that our focus on our people is a key differentiator and has led to remarkable outcomes.

We remain devoted to environmental, social, and governance issues, guided by our Be Well. Do Well. ESG plan. Each year we identify and track our progress and our results in sustainability, DEI, and community involvement. In fiscal 2023, our achievements included:

- Recognition as a Best Place to Work for Disability Inclusion, and again awarded a perfect 100% score on the Disability Equality Index. Selection as a top 50 employer by Fair360 (formerly DiversityInc), and named as the Top Company for Supplier Diversity;
- The launch of our HBCU Emerging Leaders Program in partnership with the Thurgood Marshall College Fund, which focuses on career exploration and professional development for students at Historically Black Colleges and Universities; and
- Confirmation from the Science Based Targets initiative of our goals to reduce our carbon footprint according to their net-zero standard.

A New Chapter

I'm proud of the milestones we've accomplished in this past year. With fiscal 2024 now underway, we at Aramark look to the future with great confidence.

The work we have done over the last few years has centered on a sustainable business model built on providing valued services in a highly attractive, sizeable, and resilient market that can create long-term value for you, our shareholders.

The fundamentals of the business remain unchanged. Our strategy maintains its focus on delivering profitable growth and margin through scale. The foundation has been set for our continued success, and we expect our momentum to continue in fiscal 2024 and beyond.

We look forward to delivering on our promises, and I couldn't be more excited about what's to come.

Sincerely,

A handwritten signature in black ink, appearing to read "John Zillmer", followed by a horizontal line extending to the right.

John Zillmer

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended September 29, 2023

Commission File Number: 001-36223



Aramark

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

2400 Market Street

Philadelphia, Pennsylvania

(Address of principal executive offices)

20-8236097

(I.R.S. Employer Identification Number)

19103

(Zip Code)

(215) 238-3000

(Registrant's telephone number, including area code)

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

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

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act.

Yes No

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

Yes No

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

Yes No

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

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

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by checkmark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that require a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

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

As of March 31, 2023, the aggregate market value of the common stock of the registrant held by non-affiliates of the registrant was approximately \$9,449.8 million.

As of October 27, 2023, the number of shares of the registrant's common stock outstanding is 261,508,489.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive proxy statement to be filed with the Securities and Exchange Commission pursuant to Regulation 14A relating to the registrant's 2024 Annual Meeting of Stockholders, to be held on January 30, 2024, will be incorporated by reference in this Form 10-K in response to portions of Part III. The definitive proxy statement will be filed with the Securities and Exchange Commission not later than 120 days after the registrant's fiscal year ended September 29, 2023.

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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, 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; the inability to hire and retain key or sufficient qualified personnel or increases in labor costs; our expansion strategy and our ability to successfully integrate the businesses we acquire and costs and timing related thereto; risks associated with the recently completed spin-off of Aramark Uniform and Career Apparel ("Uniform") as an independent publicly traded company to our stockholders; continued or further unionization of our workforce; liability resulting from our participation in multiemployer defined benefit pension plans; 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; and other factors set forth under the headings Item 1A "Risk Factors," Item 3 "Legal Proceedings" and Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" and other sections of this Annual Report on Form 10-K. 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 Securities and Exchange Commission (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. Business

Overview

Aramark (the “Company”, “we” or “us”) is a leading global provider of food and facilities services to education, healthcare, business & industry, and sports, leisure & corrections clients. Our core market is the United States, which is supplemented by an additional 14-country footprint. We also provide our services on a more limited basis in several additional countries and in offshore locations. Based on total revenue in fiscal 2023, we hold a top 2 position in North America in food and facilities services and a top 3 position in food and facilities services internationally in most countries in which we have significant operations. Our approximately 262,550 employees, after considering the separation of our Uniform and Career Apparel (“Uniform”) segment described below, partner with thousands of education, healthcare, business and sports, leisure & corrections clients to serve millions of customers including students, patients, employees, sports fans and guests worldwide.

Subsequent to the end of fiscal 2023, we completed the previously announced separation of our Uniform segment into an independent publicly traded company, Vestis Corporation (“Vestis”), on September 30, 2023. Going forward, we plan to operate our remaining Food and Support Services business in two geographic reportable segments split between our United States and International operations.

Prior to the separation, we operated our business in three reportable segments that shared 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 following chart shows a breakdown of our revenue and operating income by these reportable segments:

			
Reportable Segments:	FSS United States	FSS International	Uniform^(b)
FY 2023 Revenue^(a):	\$ 11,721.4	\$ 4,361.8	\$ 2,770.7
FY 2023 Operating Income^(a):	\$ 669.5	\$ 114.5	\$ 227.3
Services:	Food, hospitality and facilities	Food, hospitality and facilities	Rental, sale and maintenance of uniform apparel and other items
Sectors:	Business & industry; sports, leisure & corrections; education; healthcare; and facilities and other	Business & industry; sports, leisure & corrections; education; healthcare; and facilities and other	Business; public institutions; manufacturing; transportation; and service industries

(a) Dollars in millions. Operating income excludes \$148.4 million related to corporate expenses.

(b) Subsequent to the end of fiscal 2023, we completed the previously announced separation of our Uniform segment into an independent publicly traded company, Vestis Corporation, on September 30, 2023.

In fiscal 2023, we generated \$18.9 billion of revenue, \$862.9 million of operating income and \$674.1 million of net income attributable to Aramark stockholders.

Our History

Since our founding in 1959, we have broadened our service offerings and expanded our client base through a combination of organic growth and acquisitions, with the goal of further developing our food, facilities and uniform capabilities, as well as growing our international presence. In 1984, we completed a management buyout, after which our management and employees increased their Company ownership to approximately 90% of our equity capital leading up to our December 2001 public offering. On January 26, 2007, we delisted from the New York Stock Exchange (“NYSE”) in conjunction with a going-private transaction executed with certain private equity investment funds, as well as approximately 250 senior management personnel. On December 17, 2013, we completed an initial public offering of our common stock.

Aramark's Spin-off of the Uniform Segment

The separation of our Uniform segment was structured as a tax free spin-off, which occurred by way of a pro rata distribution to Aramark stockholders. Each of the Aramark stockholders received one share of Vestis common stock for every two shares of Aramark common stock held of record as of the close of business on September 20, 2023. Vestis is now an independent public company under the symbol "VSTS" on the New York Stock Exchange. With the completion of the separation and distribution, the historical results of the Uniform segment will be presented as discontinued operations in our consolidated financial statements beginning in the first quarter of fiscal 2024. Refer to Note 15 to the audited consolidated financial statements for Uniform reportable segment financial disclosures.

Food and Support Services

Our Food and Support Services segments manage a number of interrelated services, including food, hospitality, procurement and facility services, for school districts, colleges & universities, healthcare & senior living facilities, businesses, sports, entertainment & recreational venues, conference & convention centers, national & state parks and correctional institutions.

We are the exclusive provider of food and beverage services at most of the locations we serve and are responsible for hiring, training and supervising the majority of the food service personnel in addition to ordering, receiving, preparing and serving food and beverage items sold at those facilities. Our facilities services capabilities are broad, and include plant operations and maintenance, custodial/housekeeping, energy management, grounds keeping and capital project management. In governmental, business, educational and healthcare facilities (for example, offices and industrial plants, schools and universities and hospitals and senior living), our clients provide us with a captive customer base through their on-site employees, students and patients. At sports, entertainment and recreational facilities, our clients attract patrons to their site, usually for specific events such as sporting events, concerts and conventions.

We manage our Food and Support Services business in two geographic reportable segments split between our United States and International operations. In fiscal 2023, our FSS United States segment generated \$11,721.4 million in revenue, or 62% of our total revenue, and our FSS International segment generated \$4,361.8 million in revenue, or 23% of our total revenue. No individual client represents more than 2% of our total revenue, other than, collectively, a number of United States government agencies.

Clients and Services

Our Food and Support Services segments serve a number of sectors across 15 countries around the world. Our Food and Support Services operations focus on serving clients in five principal sectors: Education, Healthcare, Business & Industry, Sports, Leisure & Corrections and Facilities & Other.

In the FSS United States segment, the range of services provided by sector are as follows:

Education. Within the Education sector, we serve Higher Education and K-12 clients. We deliver a wide range of food and food-related services, as well as procurement services, at more than 1,300 colleges, universities, school systems & districts and private schools. We offer our education clients a single source provider for food-related managed service solutions, including dining, catering, food service management and convenience-oriented retail operations.

Healthcare. We provide a wide range of non-clinical food and food-related support services to approximately 725 healthcare and senior living clients, which comprise of approximately 130 client families, and more than 765 facilities. Our food and food-related services include patient food and nutrition, retail food, environmental services and procurement services.

Business & Industry. We provide a comprehensive range of business dining services, including on-site restaurants, catering, convenience stores and executive dining.

We also provide beverage and vending services to business & industry clients at thousands of locations. Our service and product offerings include a full range of coffee offerings, "grab and go" food operations, mailed gift boxes, convenience stores, micromarkets and a proprietary drinking water filtration system.

Sports, Leisure & Corrections. We provide concessions, banquet and catering services, retail services and merchandise sales, recreational and lodging services and facility management services at sports, entertainment and recreational facilities. We serve hundreds of venues for professional (including minor league affiliates) and college sports teams, including 28 teams in Major League Baseball, the National Basketball Association, the National Football League and the National Hockey League and at more than 115 colleges and universities. We also serve convention and civic centers, national and state parks and other resort operations, plus other popular tourist attractions in the United States. Additionally, we provide correctional food services, operate commissaries, laundry facilities and property rooms.

Facilities & Other. We provide a variety of support services to approximately 445 facility clients, which comprise of approximately 300 client families, and more than 800 locations. These services include the management of housekeeping, plant operations and maintenance, energy management, custodial, groundskeeping, landscaping, transportation, capital program management and payment services and other facility consulting services relating to building operations. We also provide procurement services for a number of clients in a variety of industries.

Our FSS International segment provides a similar range of services as those provided to our FSS United States segment clients and operates in each of the sectors. We have operations in 14 countries outside the United States. We also provide our services on a more limited basis in several additional countries and in offshore locations. Our largest international operations are in Canada, Chile, China, Germany, Spain and the United Kingdom. There are particular risks associated with our international operations. Please see Item 1A. "Risk Factors."

Purchasing

We negotiate the pricing and other terms for the majority of our purchases of food and related products in the United States and Canada directly with national manufacturers and suppliers. Due to our ability to negotiate favorable terms with our suppliers, we receive vendor consideration, including volume discounts, rebates and other applicable credits. See "Types of Contracts" below. We purchase most products and other items through food service distribution companies, including Sysco Corporation ("Sysco"), US Foods, Performance Food Group and other regional distributors. Sysco is our primary distributor with respect to our food and facilities business, while US Foods is our primary distributor with respect to our procurement services business. Our distributors are responsible for tracking our orders and delivering products to our specific locations. Our location managers also purchase a number of items, including bread, dairy products and alcoholic beverages from local suppliers, and we purchase certain items directly from manufacturers.

The terms of our agreements with our distributors vary. Some agreements are for an indefinite term, subject to termination by either party after a notice period, which is generally 60 to 120 days, while others are for a fixed term with termination rights only for cause. The pricing and other financial terms of these agreements are renegotiated periodically.

Our relationship with Sysco is important to our operations and we have had distribution agreements in place for over 40 years. We have a master distribution agreement with Sysco that covers a significant amount of our purchases of products and items in the United States and another distribution agreement with Sysco that covers our purchases of products in Canada. In fiscal 2023, Sysco distributed approximately 45% of our food and non-food products in the United States and Canada based on purchase dollars, and we believe that we are one of their largest clients. However, we believe that the products acquired through Sysco can, in significant cases, be purchased through other sources and that termination of our relationship with them or any disruption of their business would cause only short-term disruptions to our operations.

In our FSS International segment (other than Canada), our approach to purchasing is substantially similar. On a country-by-country basis, we negotiate pricing and other terms for a majority of our purchases of food and related products with manufacturers and suppliers operating in the applicable country, and we purchase these products and other items through distributors in that country. Due to our ability to negotiate favorable terms with our suppliers, we receive vendor consideration, including volume discounts, rebates and other applicable credits. See "Types of Contracts" below. As in the United States and Canada, our location managers also purchase a number of items, including bread, dairy products and alcoholic beverages from local suppliers, and we purchase certain items directly from manufacturers. Generally, our agreements with our distributors in the FSS International segment are subject to termination by either party after a notice period, which is generally 60 days. The pricing and other financial terms of these agreements are renegotiated periodically.

Our relationship with distributors in the countries outside the United States and Canada is important to our operations, but from an overall volume standpoint, no distributor outside the United States and Canada distributes a significant volume of products. We believe that products we acquire from our distributors in countries outside the United States and Canada can, in significant cases, be purchased from other sources, and that the termination of our relationships with our distributors outside the United States and Canada, or the disruption of their business operations, would cause only short-term disruption to our operations.

Sales and Marketing

We maintain selling and marketing excellence by focusing on optimizing resource allocation and deployment. We target growth by aligning our efforts directly with the sectors and services in which we operate to deliver differentiated and innovative solutions. We have established consistent tools, methodologies and trainings to efficiently support the development of our employees as they work within our individual businesses to help ensure a close connection to the business, their teammates and client partners. One key effort in our approach is identifying and matching individuals at various levels in our organization with individuals in a variety of roles at both existing and potential clients. We believe that these connections throughout various levels within the client organization allow us to develop strong relationships with the client and gain a better understanding of

the clients' requirements. Based on the knowledge of the clients' requirements and the sector, our goal is to develop solutions for the client that are unique and that help to differentiate us from our competitors.

Types of Contracts

We use contracts with our customers that allow us to manage our potential upside and downside risk in connection with our various business interactions. Our contracts may require that consent be obtained in order to raise prices on the food, beverages and merchandise we sell within a particular facility. The contracts that we enter into vary in length. Contracts generally are for fixed terms, many of which are in excess of one year. Contracts for education and sports and leisure services typically require larger capital investments, but have correspondingly longer fixed terms, usually from five to fifteen years.

When we enter into new contracts, or extend or renew existing contracts, particularly those for stadiums, arenas, convention centers, colleges and universities and business dining accounts, we are sometimes contractually required to make some form of up-front or future investment, which often includes capital expenditures to help finance improvement or renovation, typically to the food and beverage facilities of the venue from which we operate. Contractually required capital expenditures typically take the form of investments in leasehold improvements, equipment and/or grants to clients. At the end of the contract term or upon its earlier termination, assets such as equipment and leasehold improvements typically become the property of the client, but generally the client must reimburse us for any undepreciated or unamortized capital investments.

Food and Support Services contracts are generally obtained and renewed either through a competitive process or on a negotiated basis, although contracts in the public sector, including school districts and correctional clients, are frequently awarded on a competitive bid basis, as required by applicable law. Contracts in the private sector may be entered into without a formal bid process, but we and other companies will often compete in the process leading up to the award or the completion of contract negotiations. Typically, after the award, final contract terms are negotiated and agreed upon.

We use two general contract types in our Food and Support Services segments: profit and loss contracts and client interest contracts. These contracts differ in their provision for the amount of financial risk that we bear and, accordingly, the potential compensation, profits or fees we may receive. Payments made to clients and management fees, if any, may vary significantly among contracts based upon various factors, including the type of facility involved, the term of the contract, the services we provide and the amount of capital we invest.

Profit and Loss Contracts. Under profit and loss contracts, we receive all revenue from, and bear all expenses of, the provision of our services at a client location. Expenses under profit and loss contracts sometimes include payments made to the client, typically calculated as a fixed or variable percentage of various categories of revenue, and, in some cases, require minimum guaranteed payments. We benefit from greater upside potential with a profit and loss contract, although we do consequently bear greater downside risk than with a client interest contract. For fiscal 2023, approximately two-thirds of our Food and Support Services revenue was derived from profit and loss contracts.

Client Interest Contracts. Client interest contracts include management fee contracts, under which our clients reimburse our operating costs and pay us a management fee, which may be calculated as a fixed dollar amount or a percentage of revenue or operating costs. Some management fee contracts entitle us to receive incentive fees based upon our performance under the contract, as measured by factors such as revenue, operating costs and client satisfaction surveys. Client interest contracts also include limited profit and loss contracts, under which we receive a percentage of any profits earned from the provision of our services at the facility and we generally receive no payments if there are losses. As discussed above under "Purchasing", we earn vendor consideration, including discounts, rebates and other applicable credits that we typically retain except in those cases where the contract and/or applicable law requires us to credit these to our clients. For our client interest contracts, both our upside potential and downside risk are reduced compared to our profit and loss contracts. For fiscal 2023, approximately one-third of our Food and Support Services revenue was derived from client interest contracts.

Competition

There is significant competition in the Food and Support Services business from local, regional, national and international companies, as well as from the businesses, healthcare institutions, senior living facilities, colleges and universities, correctional facilities, school districts and public assembly facilities that decide to provide these services themselves. Institutions may decide to operate their own services or outsource to one of our competitors following the expiration or termination of contracts with us. In our FSS United States segment, our external competitors include other multi-regional food and support service providers, such as Compass Group plc, Delaware North Companies Inc. and Sodexo SA. Internationally, our external food service and support service competitors include Compass Group plc, Elior SA, ISS and Sodexo SA. We also face competition from many regional and local service providers.

We believe that the following competitive factors are the principal drivers of our success:

- quality and breadth of services and management talent;

- innovation;
- reputation within the industry;
- pricing;
- financial strength and stability; and
- purchasing scale.

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.

Uniform

Our Uniform segment, which was spun-off into its own public company on September 30, 2023, provided a full-service employee uniform solution. The customer base was serviced by a leading geographic footprint in the United States and Canada with programs focused on uniforms, floor mats, towels, linens, restroom supplies, first-aid supplies, safety products and other workplace supplies. Its customers operated in the United States and Canada in a wide range of industries, including manufacturing, hospitality, retail, food processing, pharmaceuticals, healthcare and automotive. In fiscal 2023, our Uniform segment generated \$2,770.7 million in revenue, or 15% of our total revenue.

Be Well. Do Well. - Our Environmental, Social and Governance ("ESG") Platform

Be Well. Do Well. is Aramark's ESG platform and directly connects to our mission: Because we're rooted in service, we do great things for our people, our partners, our communities, and our planet. As part of this strategy, introduced in 2019, we identified priorities that align with our business objectives, with a focus on efforts to help people and our planet, as we serve our clients, employees, shareholders, and other stakeholders. Our strategic, interconnected people and planet goals convey our priorities and ambitions, focusing our efforts and inspiring our organization. Our people goal is to enable equity and well-being for millions of people, including our employees, customers, communities, and people in our supply chain. The "Human Capital" section below provides examples of this work. Our planet goal is to promote planetary health on our path to net zero greenhouse gas ("GHG") emissions. In 2023, Aramark secured science-based GHG reduction targets validated by the *Science Based Targets Initiative* ("SBTi"). These targets include near-term targets to significantly reduce emissions in direct operations and supply chain and a commitment to reach net zero GHG emissions across the enterprise by fiscal 2050. The new science-based targets are aligned with our existing commitments and integrated priorities related to operational efficiency, waste management and responsible sourcing, and we are working actively to confirm and implement a pathway to net zero emissions.

Our Board of Directors reviews our ESG goals and objectives, supports implementation of our ESG priorities and commitments, and oversees progress which we report in our *Be Well. Do Well.* Progress Report, the update of which will be released in early calendar 2024. Our reporting aligns with multiple frameworks and standards including Sustainability Accounting Standards Board (SASB), the Global Reporting Initiative (GRI) and the Task Force on Climate-Related Financial Disclosures (TCFD). Aramark also submits a disclosure annually to CDP's (formerly the Carbon Disclosure Project) climate and forest questionnaires, with responses available publicly. You can read more about *Be Well. Do Well.* and broader programs and initiatives on our website (www.aramark.com/environmental-social-governance). Nothing on our website shall be deemed incorporated by reference into this Annual Report on Form 10-K.

Human Capital

As a company focused on delivering food and facilities services in thousands of client locations across 15 countries, our human capital is material to our operations and core to the long-term success of Aramark.

Our People. As of September 30, 2023, following the separation of our Uniform segment, we had a total of approximately 262,550 employees, including approximately 142,260 employees in FSS United States, 119,830 employees in FSS International and 460 employees in Aramark corporate staff. This total consists of approximately 27,700 management or salaried employees and approximately 234,850 frontline or hourly employees. The number of frontline or hourly employees fluctuates significantly through the course of the year due to the seasonal nature of some of our business and other operating requirements. We generally experience our highest level of employment during the fourth fiscal quarter. As of September 30, 2023, approximately

33,700 employees in our United States and Canadian operations were covered by collective bargaining agreements. We have experienced no material interruptions of operations due to disputes with our employees.

Diversity, Equity and Inclusion. As a result of being rooted in service, we do great things for our people, our partners, our communities, and our planet. We believe that it is vital to align our diversity, equity and inclusion priorities with our business strategy. As of September 30, 2023, following the separation of our Uniform segment, our active United States employee base reflected the following gender, racial and ethnic demographic information:

United States Employee Population	Male	Female	White	Minority	Black	Hispanic	Asian	American Indian	Pacific Islander	2 or more races
Total	42.41 %	57.59 %	40.51 %	59.49 %	31.18 %	18.43 %	6.47 %	0.65 %	0.26 %	2.50 %
Hourly Employees	41.17 %	58.83 %	37.65 %	62.35 %	32.85 %	19.22 %	6.79 %	0.67 %	0.27 %	2.55 %
Salaried Employees	54.01 %	45.99 %	67.21 %	32.79 %	15.58 %	11.09 %	3.45 %	0.40 %	0.22 %	2.05 %

As of September 30, 2023, 40% of our Board of Directors and 57% of our CEO's direct reports were female. Continuing to increase diversity in executive and all levels of the leadership pipeline remains an organizational priority for the coming years. In fiscal 2023, consistent with fiscal 2022, we established ESG goals for our executive leadership team reflective of this priority and we continue to make advancements toward these goals. We have 11 active employee resource groups, supporting women, racially and ethnically diverse employees, the LGBTQ+ community, veterans, individuals with disabilities, interfaith community, and dietitians and other health and wellness professionals. These groups have 47 local hubs across the United States and international markets and play a key role in creating a culture of inclusion. For 2023, Aramark was recognized by DiversityInc as a Top Company for supplier diversity for the first time, and a Top 50 Company for Diversity for the seventh consecutive year. Aramark was also named one of the “Best Places to Work for Disability Inclusion,” for the seventh year in a row, by the 2023 Disability Equality Index®, earning a top score of 100%. Additionally, Aramark was recognized as a "Best Company for Diversity, Equity and Inclusion" by Black Enterprise.

Talent Acquisition, Development and Retention. Hiring, developing and retaining employees is critically important to our operations and we are focused on creating experiences and programs that foster growth, performance and retention. Acquiring the right talent at speed and scale is a core capability that we regularly monitor and manage, given the need to rapidly staff our frontline operations. As an example, in our FSS United States segment, in fiscal 2023, we hired 100,000 new employees, up from 79,000 in fiscal 2022, made up of 94% hourly employees and 6% salaried employees. We sponsor numerous training, education and leadership development programs for our employees, from hourly associates to upper levels of management, designed to enhance leadership and managerial capability, ensure quality execution of our programs, drive client satisfaction and increase return on investment.

Community Engagement. Through our Aramark Building Community initiative, we create opportunities for our employees to do more through volunteerism and engagement. In fiscal 2023, over 9,700 employees volunteered to host and participate in service projects supporting more than 1,000 nonprofits and benefiting nearly 1.8 million community members across 12 countries.

Compensation, Benefits, Safety and Wellness. In addition to offering market competitive salaries and wages, we offer comprehensive health and retirement benefits to eligible employees. Our core health and welfare benefits are supplemented with specific programs to manage or improve common health conditions, a variety of voluntary benefits and paid time away from work programs. We also provide a number of innovative programs designed to promote physical, emotional and financial well-being. Our commitment to the safety of our employees and a “zero harm” culture, continues to be a top priority, and through Aramark SAFE, our global safety management system, we empower our employees to identify, evaluate and manage risk throughout our locations.

Governmental Regulation

Our business is subject to various federal, state, international, national, provincial and local laws and regulations, in areas such as environmental, labor, employment, immigration, privacy and data security, tax codes, health and safety laws and liquor licensing and dram shop matters. In addition, our facilities and products are subject to periodic inspection by federal, state, local and international authorities. We have established, and periodically update, various internal controls and procedures designed to maintain compliance with applicable laws and regulations. Our compliance programs are subject to legislative changes, or changes in regulatory interpretation, implementation or enforcement. From time to time both federal and state government agencies have conducted audits of certain of our practices as part of routine inquiries of providers of services under government contracts, or otherwise. Like others in our business, we receive requests for information from governmental agencies in connection with these audits. If we fail to comply with applicable laws, we may be subject to investigations, criminal sanctions or civil remedies, including fines, penalties, damages, reimbursement, injunctions, seizures, disgorgements, debarments from government contracts or loss of liquor licenses.

Our operations are subject to various laws and regulations, including, but not limited to, those governing:

- alcohol licensing and service;
- collection of sales and other taxes;
- minimum wage, overtime, classification, wage payment and employment discrimination;
- immigration;
- governmental funded entitlement programs and cost and accounting principles;
- false claims, whistleblowers and consumer protection;
- environmental protection and environmental sustainability matters such as packaging and waste, greenhouse gas emissions, animal health and welfare, deforestation and land use;
- food safety, sanitation, labeling and human health and safety;
- customs and import and export controls;
- the Foreign Corrupt Practices Act, the U.K. Bribery Act and other anti-corruption laws;
- antitrust, competition, procurement and lobbying;
- minority, women and disadvantaged business enterprise statutes;
- motor carrier safety; and
- privacy and data security.

The laws and regulations relating to each of our Food and Support Services segments are numerous and complex. There are a variety of laws and regulations at various governmental levels relating to the handling, preparation, transportation and serving of food, including in some cases requirements relating to the temperature of food, the cleanliness of food production facilities, and the hygiene of food-handling personnel, which are enforced primarily at the local public health department level. While we attempt to comply with applicable laws and regulations, there can be no assurance that we are in full compliance at all times with all of the applicable laws and regulations or that we will be able to comply with any future laws and regulations. Furthermore, legislation and regulatory attention to food safety is very high. Additional or amended regulations in this area may significantly increase the cost of compliance or expose us to liability.

In addition, various government agencies impose nutritional guidelines and other requirements on us at certain of the healthcare, senior living, education and corrections facilities we serve. We may also be subject to laws and regulations that limit or restrict the use of trans fats in the food we serve or other requirements relating to ingredient or nutrient labeling. There can be no assurance that legislation, or changes in regulatory implementation or interpretation of government regulations, would not limit our activities in the future or significantly increase the cost of regulatory compliance.

Because we serve alcoholic beverages at many sports, entertainment and recreational facilities, including convention centers and national and state parks, we also hold liquor licenses incidental to our food service operations and are subject to the liquor license requirements of the jurisdictions in which we hold a liquor license. As of September 29, 2023, our subsidiaries held liquor licenses in 44 states and the District of Columbia, 4 Canadian provinces and certain other countries. Typically, liquor licenses must be renewed annually and may be revoked or suspended for cause at any time. Alcoholic beverage control regulations relate to numerous aspects of our operations, including minimum age of patrons and employees, hours of operation, advertising, wholesale purchasing, inventory control and handling and storage, dispensing and service of alcoholic beverages. While we have not encountered any material problems relating to liquor licenses to date, the failure to receive or retain a liquor license in a particular location could adversely affect our ability to obtain such a license elsewhere. Some of our contracts require us to pay liquidated damages during any period in which the liquor license for the facility is suspended as a result of our actions, and most contracts are subject to termination if the liquor license for the facility is lost as a result of our actions. Our service of alcoholic beverages is also subject to alcoholic beverage service laws, commonly called dram shop statutes. Dram shop statutes generally prohibit serving alcoholic beverages to certain persons such as minors or visibly intoxicated persons. If we violate dram shop laws, we may be liable to the patron and/or to third parties for the acts of the visibly intoxicated patron. We sponsor regular training programs designed to minimize the likelihood of such a situation and to take advantage of certain safe harbors and affirmative defenses enacted for the benefit of alcoholic beverage service providers. However, we cannot guarantee that intoxicated or minor patrons will not be served or that liability for their acts will not be imposed on us.

We are subject to various environmental protection laws and regulations, including the United States Federal Clean Water Act, Clean Air Act, Resource Conservation and Recovery Act, Comprehensive Environmental Response, Compensation, and Liability Act and similar federal, state, local and international statutes and regulations governing the use, management and

disposal of chemicals and hazardous materials. We own or operate aboveground and underground storage tank systems at some locations to store petroleum products for use in our or our clients' operations. Certain of these storage tank systems also are subject to performance standards, periodic monitoring and recordkeeping requirements. We also may use and manage chemicals and hazardous materials in our operations from time to time. We are mindful of the environmental concerns surrounding the use, management, shipping and disposal of these chemicals and hazardous materials, and have taken and continue to take measures to comply with environmental protection laws and regulations. Given the regulated nature of some of our operations, we could face penalties and fines for non-compliance. In the past, we have settled, or contributed to the settlement of, actions or claims relating to the management of underground storage tanks and the handling and disposal of chemicals or hazardous materials, either on or off-site. We may, in the future, be required to expend material amounts to rectify the consequences of any such events. Under environmental laws, we may be liable for the costs of removal or remediation of certain hazardous materials located on or in or migrating from our owned or leased property or our clients' properties, as well as related costs of investigation and property damage. Such laws may impose liability without regard to our fault, knowledge or responsibility for the presence of such hazardous substances. We may not know whether our clients' properties or our acquired or leased properties have been operated in compliance with environmental laws and regulations or that our future uses or conditions will not result in the imposition of liability upon us under such laws or expose us to third-party actions such as tort suits. As of September 29, 2023, we do not anticipate any expenditures for environmental remediation that would have a material effect on our financial condition.

Intellectual Property

We have the patents, trademarks, trade names and licenses that are necessary for the operation of our business. Other than the Aramark brand, which includes our corporate starperson logo design, the Aramark word mark (our name) and the Avendra brand, we do not consider our patents, trademarks, trade names and licenses to be material to the operation of our business.

Available Information

We file annual, quarterly and current reports as well as other information with the SEC. These filings are available to the public over the internet at the SEC's website at www.sec.gov.

Our principal internet address is www.aramark.com. We make available free of charge on www.aramark.com our annual, quarterly and current reports, and amendments to those reports, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC.

Our Business Conduct Policy includes a code of ethics for our principal executive officer, our principal financial officer and our principal accounting officer and applies to all of our employees and non-employee directors. Our Business Conduct Policy is available on the Investor Relations section of our website at www.aramark.com and is available in print to any person who requests it by writing or telephoning us at the address or telephone number set forth below.

You may request a copy of our SEC filings (excluding exhibits) and our Business Conduct Policy at no cost by writing or telephoning us at the following address or telephone number:

Aramark
2400 Market Street
Philadelphia, PA 19103
Attention: Corporate Secretary
Telephone: (215) 238-3000

The references to our website and the SEC's website are intended to be inactive textual references only and the contents of those websites are not incorporated by reference herein.

Item 1A. Risk Factors

Risks Related to Our Business

Economic and External Risks

Unfavorable economic conditions have, and in the future could, adversely affect our results of operations and financial condition.

National and international economic downturns have, and in the future could, reduce demand for our services in each of our reportable segments, resulting in the loss of business or increased pressure to contract for business on less favorable terms than our generally preferred terms. Economic downturns that impact our financial condition may be caused by inflation, supply chain disruptions, geopolitics, global energy shortages, major central bank policy actions including interest rate increases, public health crises, or other factors. Economic hardship in our client base has also impacted and may continue to impact our business. For example, in early stages of the COVID-19 pandemic, or in the period of economic distress following the financial crisis of 2008, certain of our businesses were negatively affected by reduced employment levels at our clients' locations and declining levels of business and customer spending. In addition, financial distress and insolvency experienced by clients, especially larger clients, has in the past made it difficult and in the future could make it difficult for us to collect amounts we are owed and could result in the voiding or modification of existing contracts. For example, in response to the changed circumstances caused by shutdowns at the beginning of COVID-19 pandemic, we worked with clients to renegotiate contracts and financial structures in order to mitigate lost revenues caused by partial or full closure of client premises. Similarly, financial distress or insolvency, if experienced by our key vendors and service providers such as insurance carriers, could significantly increase our costs.

The portion of our business that provides services in facilities such as convention centers and tourist and recreational attractions is particularly sensitive to an economic downturn, as expenditures to take vacations or hold or attend conventions are funded to a partial or total extent by discretionary income. A decrease in such discretionary income on the part of potential attendees at our clients' facilities has in the past resulted in, and in the future could result in, a reduction in our revenue. Further, because our exposure to the ultimate customer of what we provide is limited by our dependence on our clients to attract those customers to their facilities and events, our ability to respond to such a reduction in attendance, and therefore our revenue, is limited. There are many factors that could reduce the numbers of events in a facility or attendance at an event decreases in attendees' discretionary income, including pandemics and other health crises, labor disruptions involving sports leagues, poor performance by the teams playing in a facility, number of playoff games, short-term weather conditions or more prolonged climate change, and adverse economic conditions which would adversely affect revenue and profits.

Natural disasters, global calamities, climate change, political unrest, geopolitical conflicts, energy shortages, sports strikes and other adverse incidents beyond our control could adversely affect our revenue and operating results.

Natural disasters, including hurricanes, earthquakes and droughts, global calamities, such as the COVID-19 pandemic and other public health crises, or political unrest and global conflicts, have affected, and in the future could affect, our revenue and operating results. As noted, our revenue and operating results were materially impacted by the COVID-19 pandemic. In the past, due to more geographically isolated natural disasters, such as wildfires in the western United States and hurricanes and extreme cold conditions in the southern United States, we experienced lost and closed client locations, business disruptions and delays, the loss of inventory and other assets, asset impairments and the effect of the temporary conversion of a number of our client locations to provide food and shelter to those left homeless by storms. The acute and chronic effects of global climate change, including the increasing frequency and severity of extreme weather, changing precipitation patterns and rising mean temperatures may result in business disruptions. Climate change may also impact the availability and costs of water, food or other resources that could adversely affect our ability to deliver services.

In addition, political unrest and global conflicts have disrupted, and in the future may continue to disrupt, global supply chains and heighten volatility and disruption of global financial markets. While we do not have direct operations within Russia or Ukraine, the conflict involving these nations has heightened the disruption to our supply chain, triggered inflation in our food and labor costs and may increase our risk of cyberattacks. We also do not have direct operations in the Middle East, but the recent Israel-Hamas War and escalating tensions in the region may disrupt global markets and impact our supply chain. The impact of these global events on our longer-term operational and financial performance will depend on future developments, our response and governmental response to inflation, and the duration and severity of such conflicts. Any terrorist attacks or incidents prompted by political unrest, particularly at venues that we serve, and the national and global military, diplomatic and financial response to such attacks or other threats, also may adversely affect our revenue and operating results. Sports strikes, particularly those that persist for an extended time period, can reduce our revenue and have an adverse impact on our results of operations. Any decrease in the number of games played, or the occurrence of games with limited or no fans attending, has resulted in, and would in the future result in a loss of revenue and reduced profits at the venues we service.

Operational Risks

Our failure to retain our current clients, renew our existing client contracts on comparable terms and obtain new client contracts on expected terms could adversely affect our business.

Our success depends on our ability to retain our current clients, renew our existing client contracts and obtain new business on commercially-favorable terms. Our ability to do so generally depends on a variety of factors, including the quality, price and responsiveness of our services, as well as our ability to market these services effectively and differentiate ourselves from our competitors. In addition, clients are increasingly focused on and requiring us to make commitments, set targets and meet standards related to environmental sustainability matters, such as waste management, greenhouse gas emissions, including lower-carbon food offerings, animal health and welfare, deforestation and land use. Our ability to retain clients may depend in part on the effectiveness of our response to these expectations. When we renew existing client contracts, it is often on terms that are less favorable or less profitable for us than the initial contract terms. In addition, we typically incur substantial start-up and operating costs and experience lower profit margin and operating cash flows in connection with the establishment of new business and in periods with higher rates of new business, we have experienced and expect to continue to experience negative impact to our profit margin and our cash flows. There can be no assurance that we will be able to obtain new business, renew existing client contracts at the same or higher levels of pricing or that our current clients will not turn to competitors, cease operations, elect to self-operate or terminate contracts with us. These risks may be exacerbated by the current economic environment, due to, among other things, increased cost pressure at our clients, tight labor markets and heightened competition. In addition, consolidation by our clients in the industries we serve could result in our losing business if the combined entity chooses a different provider. The failure to renew a significant number of our existing contracts, including on the same or more favorable terms, or the significant failure to recoup start-up expenses in expected amounts and timeframes for our new business contracts would have a material adverse effect on our business and results of operations and the failure to obtain new business could have an adverse impact on our growth and financial results.

We may be adversely affected if clients reduce their outsourcing or use of preferred vendors.

Our business and growth strategies depend in large part on the continuation of a movement toward outsourcing services. Clients will outsource if they perceive that outsourcing may provide quality services at a lower overall cost and permit them to focus on their core business activities. We cannot be certain this trend will continue or not be reversed or that clients that have outsourced functions will not decide to perform these functions themselves.

In addition, labor unions representing employees of some of our current and prospective clients have occasionally opposed the outsourcing trend as they believed that current union jobs for their memberships might be lost. In these cases, unions typically seek to prevent public sector entities from outsourcing and if that fails, ensure that jobs that are outsourced continue to be unionized, which can reduce our pricing and operational flexibility with respect to such businesses.

We have also identified a preference among some of our clients towards the retention of a limited number of preferred vendors to provide all or a large part of their required services. We cannot be certain this dynamic will continue or not be reversed or, if it does continue, that we will be selected and retained as a preferred vendor to provide these services. Unfavorable developments with respect to either outsourcing or the use of preferred vendors could have a material adverse effect on our business and results of operations.

Competition in our industries could adversely affect our results of operations.

There is significant competition in the food and support services business from local, regional, national and international companies, of varying sizes, many of which have substantial financial resources. Our ability to successfully compete depends on our ability to provide quality services at a reasonable price and to provide value to our clients and customers. Our competitors have been and may in the future be willing to underbid us or accept a lower profit margin or expend more capital in order to obtain or retain business. Also, certain regional and local service providers may be better established than we are within a specific geographic region. In addition, existing or potential clients may elect to self-operate their food and support services, eliminating the opportunity for us to serve them or compete for the account. We may also face increased competition from offsite food delivery at our clients as online restaurant aggregators and similar businesses, as well as other providers with potentially disruptive business models, have been successful at applying technology developments to local food service. While we have a significant international presence, certain competitors have more extensive portfolios of services and a broader geographic footprint than we do. Therefore, we may be placed at a competitive disadvantage for clients who require multiservice or multinational bids.

Increased operating costs and obstacles to cost recovery due to the pricing and cancellation terms of our contracts may constrain our ability to make a profit.

Our profitability can be adversely affected to the extent we are faced with cost increases for food, wages, other labor related expenses (including workers' compensation, state unemployment insurance and federal or state mandated health benefits and

other healthcare costs), insurance, fuel, utilities, service and small wares, transportation, shipping, piece goods, clothing and equipment, especially to the extent we are unable to recover such increased costs through increases in prices for our products and services due to general economic conditions, inflationary pressures, supply chain disruptions, competitive conditions or contractual provisions in our client contracts. For example, when federal, state, foreign or local minimum wage rates increase, we may have to increase the wages of both minimum wage employees and employees whose wages are above the minimum wage. We may also face increased operating costs resulting from changes in federal, state or local laws and regulations relating to employment matters, including those relating to the classification of employees, pay transparency, employee eligibility for overtime and secure scheduling requirements, which often incorporate a premium pay mandate for scheduling deviations. Oil and natural gas prices have fluctuated significantly in the last several years, which has increased the cost of fuel and utilities. From time to time we have experienced increases in our food costs. Food prices can fluctuate as a result of permanent or temporary changes in supply, including as a result of incidences of severe weather such as droughts, heavy rains and late freezes or climate change, natural disasters or pandemics, geopolitical conflicts, or to the extent we are unable to negotiate favorable terms on volume discounts, rebates or other applicable credits with our suppliers. Increasing demands from clients, customers and other stakeholders relating to sustainability, including that we set reduced emissions, waste and other sustainability targets and take actions to meet them, also could result in increased costs for business. We have two main types of contracts in our food and facilities business: profit and loss contracts in which we bear all of the expenses of the contract but gain the benefit of the revenue, and client interest contracts in which our clients share some or all of the expenses and gain some or all of the revenue. Approximately two-thirds of our Food and Support Services revenue in fiscal 2023 is from profit and loss contracts under which we have limited ability to pass on cost increases to our clients. Therefore, absent our ability to negotiate contractual changes, including pricing, we may have to absorb cost increases, which may adversely impact our operating results.

The amount of risk that we bear and our profit potential vary depending on the type of contract under which we provide food and support services. We may be unable to fully recover costs on contracts that limit our ability to increase prices. In addition, we provide many of our services under contracts of indefinite term, which are subject to termination on short notice by either party without cause. Some of our profit and loss and client interest contracts contain minimum guaranteed remittances to our client regardless of our revenue or profit at the facility, typically contingent on certain future events. If revenue does not exceed costs under a contract that contains minimum guaranteed payments, we will bear any losses which are incurred, as well as the guaranteed payment. Generally, our contracts also limit our ability to raise prices on the food, beverages and merchandise we sell within a particular facility without the client's consent. In addition, some of our contracts exclude certain events or products from the scope of the contract, or give the client the right to modify the terms under which we may operate at certain events. Guaranteed payments or other guaranteed amounts to a client under a profit and loss contract that is not profitable, the refusal by individual clients to permit the sale of some products at their venues, the imposition by clients of limits on prices which are not economically feasible for us, or decisions by clients to curtail their use of the services we provide could adversely affect our revenue and results of operations.

Our international business faces risks that could have an effect on our results of operations and financial condition.

A significant portion of our revenue is derived from international business. During fiscal 2023, approximately 23% of our revenue was generated outside of the United States. We currently have a presence in 14 countries outside of the United States with approximately 119,830 personnel. We also provide our services on a more limited basis in several additional countries and in offshore locations. Our international operations are subject to risks, including the requirement to comply with changing, conflicting and unclear national and local regulatory requirements; compliance with the Foreign Corrupt Practices Act, U.K. Bribery Act and other anti-corruption law compliance matters, as well as cybersecurity, data protection, corporate sustainability reporting and supply chain laws; potential difficulties in staffing and labor disputes; differing local labor laws; managing and obtaining support and distribution for local operations; credit risk or financial condition of local clients; potential imposition of restrictions on investments; potentially adverse tax consequences, including imposition or increase of withholding, VAT and other taxes on remittances and other payments by subsidiaries; foreign exchange controls; energy shortages; local political and social conditions; geopolitical tensions, including, for example, tensions between the United States and China or overall global volatility; and the ability to comply with terms of government assistance programs. In addition, the operating results of our non-United States subsidiaries are translated into United States dollars and those results are affected by movements in foreign currencies relative to the United States dollar. Unfavorable fluctuations in foreign currency exchange rates have had, and could in the future continue to have, an adverse effect on our results of operations.

Local labor and employment laws in countries outside of the United States can make it more difficult and costly to reduce labor costs in connection with decreases in demand for our services. For example, during fiscal 2021, in certain countries we were unable to reduce our international labor costs to reflect the adverse impact of the COVID-19 pandemic to the same extent as we were able to in the United States and therefore the decrease in our international operating income as a percentage of the decrease in our revenues was higher than in our United States business.

We will continue to explore and consider opportunities to develop our business in emerging countries over the long term. Emerging international operations present several additional risks, including greater fluctuation in currencies relative to the United States dollar; economic and governmental instability; civil disturbances; volatility in gross domestic production; and nationalization and expropriation of private assets.

There can be no assurance that the foregoing factors will not have a material adverse effect on our international operations or on our consolidated financial condition and results of operations.

Risks associated with suppliers, service providers and subcontractors could adversely affect our results of operations.

The raw materials we use in our business and the finished products we sell are sourced from a wide variety of domestic and international suppliers. We seek to require our suppliers, service providers and subcontractors to comply with applicable laws and otherwise be certified as meeting our supplier standards of conduct. In addition, client, customer and other stakeholder expectations regarding environmental, social and governance considerations for suppliers are evolving. Our ability to find qualified suppliers who meet our standards, including with respect to requirements around sustainably-sourced food and other products; human rights; and to access raw materials and finished products in a timely and efficient manner is a challenge, especially with respect to suppliers located and goods sourced outside the United States and other countries in which we operate. Insolvency or business disruption experienced by suppliers could make it difficult for us to source the items we need to run our business. Political and economic stability in the countries in which foreign suppliers are located, the financial stability of suppliers, suppliers' failure to meet our standards, labor problems experienced by our suppliers, the availability of raw materials and labor to suppliers, cybersecurity issues, currency exchange rates, transport availability and cost, tariffs, inflation and other factors relating to the suppliers and the countries in which they are located are beyond our control. For example, global supply chain disruptions caused by global events, such as the COVID-19 pandemic and the Russian/Ukraine conflict have resulted, and may continue to result, in delivery delays as well as lower fill rates and higher substitution rates for a wide-range of products. While we have continued to modify our business model in response to the current environment, including proactively managing inflation and global supply chain disruption, through supply chain initiatives and by implementing pricing pass-throughs, as appropriate, to cover incremental costs, there is no guarantee that we will be able to continue to do so successfully or on comparable terms in the future if supply chain disruptions continue or worsen. In addition, domestic foreign trade policies, tariffs and other impositions on imported goods, trade sanctions imposed on certain countries, the limitation on the importation of certain types of goods or of goods containing certain materials from other countries and other factors relating to foreign trade are beyond our control. If one of our suppliers were to violate the law, or engage in conduct that results in adverse publicity, our reputation may be harmed simply due to our association with that supplier. Drought, flood, natural disasters and other extreme weather events associated with climate change as well as chronic climate impacts such as rising mean temperatures and changes in precipitation patterns could also result in supply chain disruptions or higher material costs. These and other factors affecting our suppliers and our access to raw materials and finished products could adversely affect our results of operations.

We rely on large food service distribution companies to distribute our food and non-food products and a disruption in our relationship with them or their business could result in short-term disruptions to our operations and cost structure.

Although we negotiate the pricing and other terms for the majority of our purchases of food and related products in the United States and Canada directly with national manufacturers, we purchase these products and other items through national distributors and suppliers, including Sysco, US Foods, Performance Food Group and regional distributors. Sysco, which distributed approximately 45% of our food and non-food products in the United States and Canada in fiscal 2023 based on purchase dollars, and other distributors are responsible for tracking our orders and delivering products to our specific locations. If our relationship with, or the business of, Sysco or another primary distributor were to be disrupted, we would have to arrange alternative distributors and our operations and cost structure could be adversely affected in the short term. For example, past labor shortages and other labor disputes at our primary distributors exacerbated the recent supply chain issues impacting our business. A cyber, weather or other incident could also disrupt our distributors' operations and, therefore, impact our business in the short term. Similarly, a sudden termination of the relationship with a significant provider in other geographic areas could in the short term adversely affect our ability to provide services and disrupt our client relationships in such areas.

Our business is contract intensive and may lead to client disputes.

Our business is contract intensive, and we are parties to many contracts with clients all over the world. Our client interest contracts provide that client billings, and for some contracts the sharing of profits and losses, are based on our determinations of costs of service. Contract terms under which we base these determinations and, for certain government contracts, regulations governing our cost determinations, may be subject to differing interpretations which could result in disputes with our clients from time to time. Clients generally have the right to audit our contracts, and we periodically review our compliance with contract terms and provisions. If clients were to dispute our contract determinations, the resolution of such disputes in a manner adverse to our interests could negatively affect revenue and operating results. While we do not believe any reviews, audits or

other such matters should result in material adjustments, if a large number of our client arrangements were modified in response to any such matter, the effect could be materially adverse to our business or results of operations.

Our business may suffer if we lose key management personnel, are unable to hire and retain sufficient qualified personnel or if labor costs increase.

We believe much of our future growth and success depends on the continued availability, service and well-being of key executive and management talent. The loss of any of our key executive or senior management personnel could harm our business. In addition, from time to time, we have had difficulty in hiring and retaining qualified management personnel, particularly at the entry management level. We will continue to have significant requirements to hire such personnel. At times when the United States or other geographic regions experience reduced levels of unemployment or a general scarcity of labor like we have seen in recent periods, there may be a shortage of qualified workers at all levels. Given that our workforce requires large numbers of entry level and skilled workers and managers, low levels of unemployment, a general difficulty finding sufficient employees or mismatches between the labor markets and our skill requirements can compromise our ability in certain areas of our businesses to continue to provide quality service or compete for new business. We are also impacted by the costs and other effects of compliance with United States and international regulations affecting our workforce. These regulations are increasingly focused on employment issues, including pay transparency, wage and hour, healthcare, immigration, retirement and other employee benefits and workplace practices. Compliance and claims of non-compliance with these regulations could result in liability and expense to us and may impede our ability to attract and retain talent. Historically, we have also regularly hired a large number of part-time and seasonal workers. Any difficulty we may encounter in hiring such workers, immigration policies and general labor shortages, could result in significant increases in labor costs, which could have a material adverse effect on our business, financial condition and results of operations. Competition for labor has at times resulted in wage increases in the past and future competition could substantially increase our labor costs. Due to the labor intensive nature of our businesses and the fact that historically approximately two-thirds of our Food and Support Services segments' revenue is from profit and loss contracts under which we have limited ability to pass along cost increases, a shortage of labor or increases in wage levels in excess of normal levels could have a material adverse effect on our results of operations.

Our expansion strategy involves risks.

We may seek to acquire companies or interests in companies, or enter into joint ventures that complement our business. Our inability to complete acquisitions, integrate acquired companies successfully or enter into joint ventures may render us less competitive. At any given time, we may be evaluating one or more acquisitions or engaging in acquisition negotiations. We cannot be sure that we will be able to continue to identify acquisition candidates or joint venture partners on commercially reasonable terms or at all. If we make acquisitions, we also cannot be sure that any benefits anticipated from the acquisitions will actually be realized. Likewise, we cannot be sure we will be able to obtain necessary financing for acquisitions. Such financing could be restricted by the terms of our debt agreements or it could be more expensive than our current debt. The amount of such debt financing for acquisitions could be significant and the terms of such debt instruments could be more restrictive than our current covenants. In addition, our ability to control the planning and operations of our joint ventures and other less than majority-owned affiliates may be subject to numerous restrictions imposed by the joint venture agreements and majority stockholders. Our joint venture partners may also have interests which differ from ours.

The process of integrating acquired operations into our existing operations may result in operating, contract and supply chain difficulties, such as the failure to retain existing clients or attract new clients, maintain relationships with suppliers and other contractual parties, or retain and integrate acquired personnel. In addition, cost savings that we expect to achieve, for example, from the elimination of duplicative expenses and the realization of economies of scale or synergies, may take longer than expected to realize or may ultimately be smaller than we expect. Also, in connection with any acquisition, we could fail to discover liabilities of the acquired company for which we may be responsible as a successor owner or operator in spite of any investigation we make prior to the acquisition, or significant compliance issues which require remediation, resulting in additional unanticipated costs, risk creation, and potential reputational harm. In addition, labor laws in certain countries may require us to retain more employees than would otherwise be optimal from entities we acquire. Such integration difficulties may divert significant financial, operational and managerial resources from our existing operations and make it more difficult to achieve our operating and strategic objectives, which could have a material adverse effect on our business, financial condition or results of operations. Similarly, our business depends on effective information technology and financial reporting systems. Delays in or poor execution of the integration of these systems could disrupt our operations and increase costs, and could also potentially adversely impact the effectiveness of our disclosure controls and internal controls over financial reporting.

Possible future acquisitions could also result in additional contingent liabilities and amortization expenses related to intangible assets being incurred, which could have a material adverse effect on our business, financial condition or results of operations. In addition, goodwill and other intangible assets resulting from business combinations represent a significant portion of our assets.

If goodwill or other intangible assets were deemed to be impaired, we would need to take a charge to earnings to write down these assets to their fair value.

We face risks associated with the recently completed spin-off of our Uniform segment.

On September 30, 2023, we completed the previously announced separation and distribution of the Uniform segment through the pro rata distribution of 130,725,188 shares of common stock, par value \$0.01 per share of Vestis to the stockholders of record of the Company as of the close of business on September 20, 2023. While the spin-off has been completed, we are still subject to potentially continued unforeseen costs and expenses, including additional general and administrative costs, costs from lost synergies, restructuring costs or other costs and expenses. The spin-off may hinder our ability to retain existing business and operational relationships, including with clients, customers, suppliers and employees, as well as to cultivate new business relationships. Based on these and other factors we may not be able to achieve the full strategic and financial benefits that are expected as a result of the spin-off.

Continued or further unionization of our workforce may increase our costs and work stoppages could damage our business.

Subsequent to fiscal year-end, after consideration of the separation and distribution of the Uniform segment, approximately 33,700 employees in our United States and Canadian operations were represented by unions and covered by collective bargaining agreements. The continued or further unionization of a significantly greater portion of our workforce could increase our overall costs at the affected locations and adversely affect our flexibility to run our business in the most efficient manner to remain competitive or acquire new business. In addition, any significant increase in the number of work stoppages at our various operations could adversely affect our business, financial condition or results of operations.

We may incur significant liability as a result of our participation in multiemployer defined benefit pension plans.

A number of our locations operate under collective bargaining agreements. Under some of these agreements, we are obligated to contribute to multiemployer defined benefit pension plans. As a contributing employer to such plans, should we trigger either a "complete" or "partial" withdrawal, or should the plan experience a "mass" withdrawal, we could be subject to withdrawal liability for our proportionate share of any unfunded vested benefits which may exist for the particular plan. In addition, if a multiemployer defined benefit pension plan fails to satisfy the minimum funding standards, we could be liable to increase our contributions to meet minimum funding standards. Also, if another participating employer withdraws from the plan or experiences financial difficulty, including bankruptcy, our obligation could increase. The financial status of a small number of the plans to which we contribute has deteriorated in the recent past and continues to deteriorate. We proactively monitor the financial status of these and the other multiemployer defined benefit pension plans in which we participate. In addition, any increased funding obligations for underfunded multiemployer defined benefit pension plans could have an adverse financial impact on us.

Legal, Regulatory, Safety and Security Risks

Laws and governmental regulations relating to food and beverages may subject us to significant liability and reputational harm.

The laws and regulations relating to our business are numerous and complex. A variety of laws and regulations at various governmental levels relate to the handling, preparation, transportation and serving of food. In addition, the cleanliness of food production facilities and the hygiene of food-handling personnel are enforced primarily at the local public health department level. There can be no assurance that we are in full compliance with all applicable laws and regulations at all times, in particular as we offer more innovative and broad service offerings, or that we will be able to comply with any future laws and regulations. Furthermore, legislation and regulatory attention to food safety is very high. Additional or amended laws or regulations in this area may significantly increase the cost of compliance, expose us to liabilities, or cause reputational harm.

We serve alcoholic beverages at many facilities, and must comply with applicable licensing laws, as well as state and local service laws, commonly called dram shop statutes in the United States. Dram shop statutes generally prohibit serving alcoholic beverages to certain persons, such as an individual who is visibly intoxicated or a minor. If we violate dram shop laws, we may be liable to the patron and/or third parties for the acts of the patron. Although we sponsor regular training programs designed to minimize the likelihood of such a situation and to take advantage of certain safe harbors and affirmative defenses established for the benefit of alcoholic beverages service providers, we cannot guarantee that visibly intoxicated or minor patrons will not be served or that liability for their acts will not be imposed on us. There can be no assurance that additional laws or regulations in this area would not limit our activities in the future or significantly increase the cost of regulatory compliance. We must also obtain and comply with the terms of licenses in order to sell alcoholic beverages in the states in which we serve alcoholic beverages. Some of our contracts require us to pay liquidated damages during any period in which the liquor license for the facility is suspended as a result of our actions, and most contracts are subject to termination if the liquor license for the facility is lost as a result of our actions.

If we fail to comply with requirements imposed by applicable law or other governmental regulations, we could become subject to lawsuits, investigations and other liabilities and restrictions on our operations that could significantly and adversely affect our business.

We are subject to governmental regulation at the federal, state, international, national, provincial and local levels in many areas of our business, such as 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, supply chain laws, food safety, labeling and sanitation laws, government funded entitlement programs, government assistance programs, 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.

From time to time, government agencies have conducted reviews and audits of certain of our practices as part of routine inquiries of providers of services under government contracts, or otherwise. Like others in our business, we also receive requests for information from government agencies in connection with these reviews and audits. While we attempt to comply with all applicable laws and regulations, there can be no assurance that we are in full compliance with all applicable laws and regulations or interpretations of these laws and regulations at all times, or that we will be able to comply with any future laws, regulations or interpretations of these laws and regulations.

If we fail to comply with applicable laws and regulations, including those referred to above, we may be subject to investigations, criminal sanctions or civil remedies, including fines, penalties, damages, reimbursement, injunctions, seizures, disgorgements or debarments from government contracts or the loss of liquor licenses or the ability to operate our motor vehicles. The cost of compliance or the consequences of non-compliance, including debarments, could have a material adverse effect on our business and results of operations, cause reputational harm, and impede our growth and retention efforts. In addition, government agencies may make changes in the regulatory frameworks within which we operate that may require either the corporation as a whole or individual businesses to incur substantial increases in costs in order to comply with such laws and regulations.

Changes in, new interpretations of or changes in the enforcement of the governmental regulatory framework may affect our contracts and contract terms and may reduce our revenue or profits.

A portion of our revenue, both in the United States and internationally, is derived from business with government entities, which includes business with United States federal, state and local governments and agencies, as well as international governments and agencies. Changes or new interpretations in, or changes in the enforcement of, the statutory or regulatory framework applicable to services provided under government contracts or bidding procedures, including an adverse change in government spending policies or appropriations, budget priorities or revenue levels could result in fewer new contracts or contract renewals, modifications to the methods we apply to price government contracts, or in contract terms of shorter duration than we have historically experienced. Any of these changes could result in lower revenue or profits than we have historically achieved, which could have an adverse effect on our results of operations.

A failure to maintain food safety throughout our supply chain and food-borne illness concerns may result in reputational harm and claims of illness or injury that could adversely affect us.

Food safety is a top priority for us and we dedicate substantial resources to ensuring that our customers enjoy safe, quality food products. Claims of illness or injury relating to food quality, food handling or allergens are common in the food service industry and a number of these claims may exist at any given time. Because food safety issues could be experienced at the source or by food suppliers, distributors or subcontractors, food safety could, in part, be out of our control. Regardless of the source or cause, any report of food-borne illness or other food safety issues such as food tampering or contamination at one of our locations could adversely impact our reputation, hindering our ability to renew contracts on favorable terms or to obtain new business, and have a negative impact on our revenue. Even instances of food-borne illness, food tampering or contamination at a location served by one of our competitors could result in negative publicity regarding the food service industry generally and could negatively impact our revenue. Future food safety issues may also from time to time disrupt our business. In addition, product recalls or health concerns associated with food contamination may also increase our raw material costs.

Increases or changes in income tax rates or laws of tax matters could adversely impact our financial results.

As a multinational corporation, we are subject to income taxes, as well as non-income-based taxes, in both the United States and various foreign jurisdictions. Significant judgment is required in determining our worldwide provision (benefit) for income taxes and other tax liabilities. Changes in tax laws or tax rulings may have a significant adverse impact on our effective tax rate. Additionally, we are subject to regular review and audit by both domestic and foreign tax authorities as well as to the prospective and retrospective effects of changing tax regulations and legislation.

Considering the unpredictability of possible changes to the United States or foreign tax laws and regulations and their potential interdependency, it is very difficult to predict the cumulative effect of such tax laws and regulations on our results of operations and cash flow, but such laws and regulations (and changes thereto) could adversely impact our financial results.

Our commitments and stakeholder expectations relating to environmental, social and governance ("ESG") considerations may expose us to liabilities, increased costs, reputational harm, and other adverse effects on our business.

We, along with many governments, regulators, investors, employees, clients, customers and other stakeholders, are increasingly focused on ESG considerations relating to our business, including greenhouse gas emissions, human and civil rights, animal welfare and diversity, equity and inclusion. New laws and regulations in these areas have been proposed and in some cases adopted, and the criteria used by regulators and other relevant stakeholders to evaluate our ESG practices, capabilities, and performance are, and will continue to, change and evolve, including in ways that may require us to undertake costly initiatives or operational changes. Non-compliance with these emerging rules or standards or a failure to address regulator, stakeholder and societal expectations may result in potential cost increases, litigation, fines, penalties, production and sales restrictions, brand or reputational damage, loss of customers, suppliers and commercial partners, failure to retain and attract talent, lower valuation and higher investor activism activities. In addition, we make statements about our ESG goals, commitments and initiatives through our annual "Be Well. Do Well." Progress Report, other non-financial reports, information provided on our website, press statements and other communications. Implementing our ESG programs involves risks and uncertainties, including increased costs, requires investments and often depends on third-party performance or data that is outside our control. We cannot guarantee that we will achieve our announced ESG targets and commitments, satisfy all stakeholder expectations, or that the benefits of implementing or achieving these goals and initiatives will not surpass their projected costs. Any failure, or perceived failure, to achieve ESG goals and initiatives, as well as to manage ESG risks, adhere to public statements, comply with federal, state or international ESG laws and regulations or meet evolving and varied stakeholder expectations and standards could result in legal and regulatory proceedings against us and materially adversely affect our business, reputation, results of operations, financial condition and stock price.

Our operations and reputation may be adversely affected by disruptions to or breaches of our information systems or if our data is otherwise compromised.

We are increasingly utilizing information technology systems, including with respect to administrative functions, financial and operational data, ordering, point-of-sale processing and payment and the management of our supply chain, to enhance the efficiency of our business and to improve the overall experience of our customers. We maintain confidential, proprietary and personal information about, or on behalf of, our potential, current and former clients, customers, employees and other third parties in these systems or engage third parties in connection with storage and processing of this information. Such information includes employee, client and third party data, including credit card numbers, social security numbers, healthcare information and other personal information. Our systems and the systems of our vendors and other third parties are subject to damage or interruption from power outages, computer or telecommunication failures, computer viruses, catastrophic events and implementation delays or difficulties, as well as usage errors by our employees or third party service providers. These systems are also vulnerable to an increasing threat of rapidly evolving cyber-based attacks, including malicious software, attempts to gain unauthorized access to data, including through phishing emails, attempts to fraudulently induce employees or others to disclose information, the exploitation of software and operating vulnerabilities and physical device tampering/skimming at card reader units. The techniques used to obtain unauthorized access, disable or degrade service or sabotage systems change frequently, may be difficult to detect for a long time and often are not recognized until after an attack is launched or occurs. As a result, we and such third parties may be unable to anticipate these techniques or to implement adequate preventative measures. In addition, we or such third parties may decide to upgrade existing information technology systems from time to time to support the needs of our business and growth strategy and the risk of system disruption is increased when significant system changes are undertaken.

We maintain a global cybersecurity program aligned with the five pillars of the National Institute of Standards and Technology Cybersecurity Framework: Identification, Prevention, Detection, Response and Recovery. Our cross functional Cyber Governance Committee is responsible for prioritizing and managing evolving cyber risks. During the normal course of business, we have experienced and expect to continue to experience cyber-based attacks and other attempts to compromise our information systems, although none, to our knowledge, has had a material adverse effect on our business, financial condition or results of operations. Any damage to, or compromise or breach of our systems or the systems of our vendors could impair our ability to conduct our business, result in transaction errors, result in corruption or loss of accounting or other data, which could cause delays in our financial reporting, and result in a violation of applicable privacy and other laws, significant legal and financial exposure, reputational damage, adverse publicity and a loss of confidence in our security measures. Any such event could cause us to incur substantial costs, including costs associated with systems remediation, client protection, litigation, lost revenue or the failure to retain or attract clients following an attack. The failure to properly respond to any such event could also result in similar exposure to liability. While we maintain insurance coverage that may cover certain aspects of cyber risks, such insurance coverage may be unavailable or insufficient to cover all losses or all types of claims that may arise. Further, as

cybersecurity risks evolve, such insurance may not be available to us on commercially reasonable terms or at all. The occurrence of some or all of the foregoing could have a material adverse effect on our results of operations, financial condition, business and reputation.

We are subject to numerous laws and regulations in the United States and internationally, as well as contractual obligations and other security standards, each designed to protect the personal information of clients, customers, employees and other third parties that we collect and maintain. Additionally, as a global company we are subject to laws, rules and regulations regarding cross-border data flows and recent legal developments have created increased complexity and uncertainty regarding transfers of personal data from the European Union to the United States. These recent developments require us to review and amend the legal mechanisms by which we make and receive such cross-border personal data transfers. Since we accept debit and credit cards for payment from clients and customers, we are also subject to various industry data protection standards and protocols, such as payment network security operating guidelines and the Payment Card Industry Data Security Standard. In certain circumstances, payment card association rules and obligations make us liable to payment card issuers if information in connection with payment cards and payment card transactions that we hold is compromised, the liabilities for which could be substantial. These laws, regulations and obligations are increasing in complexity and number, change frequently and may be inconsistent across the various countries in which we operate. Other jurisdictions, including at both the federal and state level in the United States, have enacted or are considering similar data protection laws, and/or are considering data localization laws that require data to stay within their borders. Our systems and the systems maintained or used by third parties and service providers to process data on our behalf may not be able to satisfy these changing legal and regulatory requirements, or may require significant additional investments or time to do so. If we fail to comply with these laws or regulations, we could be subject to significant litigation, monetary damages, regulatory enforcement actions or fines in one or more jurisdictions and we could experience a material adverse effect on our results of operations, financial condition and business.

Environmental requirements may subject us to significant liability and limit our ability to grow.

We are subject to various environmental protection laws and regulations, including the United States Federal Clean Water Act, Clean Air Act, Resource Conservation and Recovery Act, Comprehensive Environmental Response, Compensation and Liability Act and similar federal, state, local and international statutes and regulations governing the use, management and disposal of chemicals and hazardous materials. We own or operate aboveground and underground storage tank systems at some locations to store petroleum products for use in our or our clients' operations, including some national parks. Certain of these storage tank systems also are subject to performance standards and periodic monitoring and recordkeeping requirements. We also may use and manage chemicals and hazardous materials in our operations from time to time. In the course of our business, we may be subject to penalties and fines and reputational harm for non-compliance with environmental protection laws and regulations and we may settle, or contribute to the settlement of, actions or claims relating to the management of underground storage tanks and the handling and disposal of chemicals or hazardous materials. We may, in the future, be required to expend material amounts to rectify the consequences of any such events.

In addition, changes to environmental laws may subject us to additional costs or cause us to change aspects of our business. In particular, new federal, state, local or international laws and regulations related to climate change (including, but not limited to, certain requirements relating to the disclosure of greenhouse gas emissions and associated business risks), single use plastics and disposable packaging and food waste, could affect our operations or result in significant additional expense and operating restrictions on us. Under United States federal and state environmental protection laws, as an owner or operator of real estate we may be liable for the costs of removal or remediation of certain hazardous materials located on or in or migrating from our owned or leased property or our client's properties, as well as related costs of investigation and property damage, without regard to our fault, knowledge or responsibility for the presence of such hazardous materials. There can be no assurance that locations that we own, lease or otherwise operate, either for ourselves or for our clients, or that we may acquire in the future, have been operated in compliance with environmental laws and regulations or that future uses or conditions will not result in the imposition of liability upon us under such laws or expose us to third-party actions such as tort suits. In addition, such regulations may limit our ability to identify suitable sites for new or expanded facilities. In connection with our present or past operations and the present or past operations of our predecessors or companies that we have acquired, hazardous substances may migrate from properties on which we operate or which were operated by our predecessors or companies we acquired to other properties. We may be subject to significant liabilities to the extent that human health is adversely affected or the value of such properties is diminished by such migration.

Risks Related to Our Indebtedness

Our leverage could adversely affect our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or our industries, expose us to interest rate risk to the extent of our variable rate debt and prevent us from meeting our obligations.

We are highly leveraged. As of September 29, 2023, our outstanding indebtedness was \$8,263.5 million. We had additional availability of \$953.8 million under our revolving credit facilities and availability of \$600.0 million under the Receivables Facility as of that date. Subsequent to fiscal year-end, after consideration of the separation and distribution of the Uniform segment and repayment of the 6.375% Senior Notes due 2025, our outstanding indebtedness was \$5,149.5 million.

This degree of leverage could have important consequences, including:

- exposing us to the risk of increased interest rates as certain of our borrowings, including borrowings under our senior secured credit facilities and our Receivables Facility, are at variable rates of interest;
- making it more difficult for us to make payments on our indebtedness;
- increasing our vulnerability to general economic and industry conditions;
- requiring a substantial portion of cash flow from operations to be dedicated to the payment of principal and interest on our indebtedness, thereby reducing our ability to use our cash flow to fund our operations, capital expenditures and future business opportunities;
- restricting us from making strategic acquisitions or causing us to make non-strategic divestitures;
- limiting our ability to obtain additional financing for working capital, capital expenditures, debt service requirements, acquisitions and general corporate or other purposes;
- limiting our ability to adjust to changing market conditions and placing us at a competitive disadvantage compared to our competitors who are less highly leveraged; and
- limiting our ability to benefit from tax deductions for such payments under certain interest expense limitation rules included in the Tax Cuts and Jobs Act of 2017 and pursuant to similar regulations in other countries.

We and our subsidiaries may be able to incur substantial additional indebtedness in the future, subject to the restrictions contained in our senior secured credit facilities and the indentures governing our senior notes. If new indebtedness is added to our current debt levels, the related risks that we now face could increase.

On July 27, 2017, the U.K. Financial Conduct Authority announced that it intended to stop requiring banks to submit LIBOR rates after 2021. On March 5, 2021, the ICE Benchmark Administration announced that all non-USD key LIBORs would cease publication after 2021, and select USD LIBOR rates would continue until June 30, 2023. The Alternative Reference Rates Committee, which was convened by the Federal Reserve Board and the New York Federal Reserve, identified the Secured Overnight Financing Rate (“SOFR”) as the recommended risk-free alternative rate for USD LIBOR. As a result, on June 29, 2023, we amended our senior secured credit agreement (as supplemented or otherwise modified from time to time, the “Credit Agreement”) to provide for a transition of the underlying interest rate applicable to all term loans outstanding and revolving credit commitments and loans available and/or outstanding, in each case, under the Credit Agreement, from a LIBOR-based rate to a forward-looking term rate based on SOFR. At this time, it is not possible to predict the full effect that the discontinuance of LIBOR, or the establishment of alternative reference rates such as SOFR, will have on us or our borrowing costs. SOFR is a relatively new reference rate and its composition and characteristics are not the same as LIBOR. Given the limited history of this rate and potential volatility as compared to other benchmark or market rates, the future performance of this rate cannot be predicted based on historical performance. The consequences of using SOFR could include an increase in the cost of our variable rate indebtedness.

Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly and potentially limit our ability to effectively refinance our indebtedness as it matures.

Borrowings under the Credit Agreement bear interest at variable rates and expose us to interest rate risk. If interest rates increase and we do not hedge such variable rates, our debt service obligations on the variable rate indebtedness will increase even though the amount borrowed will remain the same, which will negatively impact our net income and operating cash flows, including cash available for servicing our indebtedness.

Additionally, our ability to refinance portions of our indebtedness in advance of their maturity dates depends on securing new financing bearing interest at rates that we are able to service. While we believe that we currently have adequate cash flows to service the interest rates currently applicable to our indebtedness, if interest rates were to continue to rise significantly, we might be unable to maintain a level of cash flows from operating activities sufficient to meet our debt service obligations at such increased rates.

If our financial performance were to deteriorate, we may not be able to generate sufficient cash to service all of our indebtedness and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.

Our ability to make scheduled payments on or to refinance our debt obligations depends on our financial condition and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. While we believe that we currently have adequate cash flows to service our indebtedness, if our financial performance were to deteriorate significantly, we might be unable to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness.

If, due to such a deterioration in our financial performance, our cash flows and capital resources were to be insufficient to fund our debt service obligations, we may be forced to reduce or delay investments and capital expenditures, or to sell assets, seek additional capital or restructure or refinance our indebtedness. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. In addition, if we were required to raise additional capital in the current financial markets, the terms of such financing, if available, could result in higher costs and greater restrictions on our business. In addition, if we were to need to refinance our existing indebtedness, the conditions in the financial markets at that time could make it difficult to refinance our existing indebtedness on acceptable terms or at all. If such alternative measures proved unsuccessful, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. Our Credit Agreement and the indentures governing our senior notes restrict our ability to dispose of assets and use the proceeds from any disposition of assets and to refinance our indebtedness. We may not be able to consummate those dispositions or to obtain the proceeds that we could realize from them and these proceeds may not be adequate to meet any debt service obligations then due.

Our debt agreements contain restrictions that limit our flexibility in operating our business.

Our Credit Agreement and the indentures governing our senior notes contain various covenants that limit our ability to engage in specified types of transactions. These covenants limit our and our restricted subsidiaries' ability to, among other things:

- incur additional indebtedness, refinance or restructure indebtedness or issue certain preferred shares;
- pay dividends on, repurchase or make distributions in respect of our capital stock, make unscheduled payments on our notes, repurchase or redeem our senior notes or make other restricted payments;
- make certain investments;
- sell certain assets;
- create liens;
- consolidate, merge, sell or otherwise dispose of all or substantially all of our assets; and
- enter into certain transactions with our affiliates.

In addition, our senior secured revolving credit facility requires us to satisfy and maintain specified financial ratios and other financial condition tests. Our ability to meet those financial ratios and tests can be affected by events beyond our control and, in the event of a significant deterioration of our financial performance, there can be no assurance that we will satisfy those ratios and tests. A breach of any of these covenants could result in a default under the Credit Agreement. Upon our failure to maintain compliance with these covenants that is not waived by the lenders under the revolving credit facility, the lenders under the senior secured credit facilities could elect to declare all amounts outstanding under the senior secured credit facilities to be immediately due and payable and terminate all commitments to extend further credit under such facilities. If we were unable to repay those amounts, the lenders under the senior secured credit facilities could proceed against the collateral granted to them to secure that indebtedness. We have pledged a significant portion of our assets as collateral under the Credit Agreement. If the lenders under the senior secured credit facilities accelerate the repayment of borrowings, there can be no assurance that we will have sufficient assets to repay those borrowings, as well as our unsecured indebtedness. If our senior secured indebtedness was accelerated by the lenders as a result of a default, our senior notes may become due and payable as well. Any such acceleration may also constitute an amortization event under our Receivables Facility, which could result in the amount outstanding under that facility becoming due and payable.

There can be no assurance that we will continue to pay dividends on our common stock, and our indebtedness could limit our ability to pay dividends on our common stock.

Payment of cash dividends on our common stock is subject to our compliance with applicable law and depends on, among other things, our results of operations, financial condition, level of indebtedness, capital requirements, contractual restrictions, business prospects and other factors that our Board of Directors may deem relevant. Our senior secured credit facilities and the indentures governing our senior notes contain, and the terms of any future indebtedness we or our subsidiaries incur may contain limitations on our ability to pay dividends. For more information, see Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Covenant Compliance." In addition, our decision to pay dividends is impacted by results of operations and available cash. Although we have paid cash dividends in the past, there can be no assurance that we will continue to pay any dividend in the future.

Risks Related to Ownership of Our Common Stock and Provisions in our Organizational Documents

Our share price may change significantly, and you may not be able to resell shares of our common stock at or above the price you paid or at all, and you could lose all or part of your investment as a result.

The trading price of our common stock, as reported by the NYSE, has in the past and could in the future fluctuate due to a number of factors such as those listed in "—Risks Related to Our Business" and include, but are not limited to, the following, some of which are beyond our control:

- quarterly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by securities analysts and investors;
- announcements by us, our competitors or our vendors of significant contracts, acquisitions, divestitures, joint marketing relationships, joint ventures or capital commitments;
- announcements by third parties of significant claims or proceedings against us;
- future sales of our common stock;
- general domestic and international economic conditions; and
- unexpected and sudden changes in senior management.

Furthermore, the stock market has experienced extreme volatility that, in some cases, has been unrelated or disproportionate to the operating performance of particular companies. As evidenced by the COVID-19 pandemic, these broad market and industry fluctuations may adversely affect the market price of our common stock, regardless of our actual operating performance.

In the past, following periods of market volatility, stockholders have instituted securities class action litigation. If we were involved in securities litigation, it could have a substantial cost and divert resources and the attention of executive management from our business regardless of the outcome of such litigation.

Anti-takeover provisions in our organizational documents could delay or prevent a change of control.

Certain provisions of our amended and restated certificate of incorporation and amended and restated bylaws may have an anti-takeover effect and may delay, defer or prevent a merger, acquisition, tender offer, takeover attempt or other change of control transaction that a stockholder might consider in its best interest, including those attempts that might result in a premium over the market price for the shares held by our stockholders.

These provisions provide for, among other things:

- the ability of our Board of Directors to issue one or more series of preferred stock;
- advance notice for nominations of directors by stockholders and for stockholders to include matters to be considered at our annual meetings;
- certain limitations on convening special stockholder meetings;

- the removal of directors only upon the affirmative vote of the holders of at least 75% in voting power of all the then-outstanding common stock of the company entitled to vote thereon, voting together as a single class; and
- that certain provisions may be amended only by the affirmative vote of the holders of at least 75% in voting power of all the then-outstanding common stock of the company entitled to vote thereon, voting together as a single class.

These anti-takeover provisions could make it more difficult for a third party to acquire us, even if the third party's offer may be considered beneficial by many of our stockholders. As a result, our stockholders may be limited in their ability to obtain a premium for their shares.

Our amended and restated certificate of incorporation designates the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or other employees.

Our amended and restated certificate of incorporation provides that, with certain limited exceptions, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for any stockholder (including any beneficial owner) to bring (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of fiduciary duty owed by any director or officer of the Company owed to us or our stockholders, creditors or other constituents, (iii) any action asserting a claim against us or any director or officer of the Company arising pursuant to any provision of the Delaware General Corporation Law or our amended and restated certificate of incorporation or our amended and restated bylaws, or (iv) any action asserting a claim against the Company or any director or officer of the Company governed by the internal affairs doctrine. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock is deemed to have received notice of and consented to the foregoing provisions. This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits against us and our directors, officers and employees. Alternatively, if a court were to find this choice of forum provision inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business, financial condition or results of operations.

Item 1B. Unresolved Staff Comments

Not Applicable.

Item 1C. Cybersecurity

Not Applicable.

Item 2. Properties

Our principal executive offices are currently leased at 2400 Market Street, Philadelphia, Pennsylvania 19103. We own 14 buildings that we use in our FSS United States segment, including several office/warehouse spaces, and we lease 114 premises, consisting of offices, office/warehouses and distribution centers. In addition, we own 6 properties consisting of offices, land and warehouses and lease 63 facilities throughout the world that we use in our FSS International segment. We also maintain other real estate and leasehold improvements. No individual parcel of real estate owned or leased is of material significance to our total assets.

Item 3. 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 their business, including those brought by clients, customers, 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 September 29, 2023.

Item 4. Mine Safety Disclosures

Not Applicable.

Information About Our Executive Officers

Our executive officers as of November 21, 2023 are as follows:

<u>Name</u>	<u>Age</u>	<u>Position</u>	<u>With Aramark Since</u>
John J. Zillmer	68	Chief Executive Officer	2019
Thomas G. Ondrof	59	Executive Vice President and Chief Financial Officer	2020
Abigail A. Charpentier	50	Senior Vice President and Chief Human Resources Officer	2021
Lauren A. Harrington	48	Senior Vice President and General Counsel	2006
Marc A. Bruno	52	Chief Operating Officer, United States Food and Facilities	1993

John J. Zillmer was appointed Chief Executive Officer and a member of the Board of Directors in October 2019. Prior to joining us, Mr. Zillmer served as Chief Executive Officer and Executive Chairman of Univar from 2009 to 2012. Prior to that, he served as Chairman and Chief Executive Officer of Allied Waste Industries from 2005 to 2008 and held various positions at Aramark, including Vice President of Operating Systems, Regional Vice President, Area Vice President, Executive Vice President Business Dining Services, President of Business Services Group, President of International and President of Global Food and Support Services, from 1986 to 2005. Mr. Zillmer serves on the Board of Directors as Non-Executive Chairman of CSX Corporation, as well as the Board of Directors of Ecolab, Inc. Mr. Zillmer was formerly on the Board of Directors of Veritiv Corporation, Performance Food Group (PFG) Company, Inc. and Reynolds American Inc.

Thomas G. Ondrof was appointed Executive Vice President and Chief Financial Officer in January 2020. Prior to joining us, Mr. Ondrof served as Head of Strategic Growth of Performance Food Group from March 2018 to December 2019 and Chief Financial Officer of Performance Food Group from October 2016 to March 2018. Prior to that, he served in a variety of financial and business development leadership roles at Compass Group North America, including Chief Development Officer, Chief Strategy Officer and Chief Financial Officer.

Abigail A. Charpentier was appointed Senior Vice President and Chief Human Resources Officer in December 2022 effective January 2023. From August 2021 to January 2023, Ms. Charpentier served as Senior Vice President, Human Resources and Diversity, Aramark United States Food & Facilities. Previously Ms. Charpentier was a Vice President, People & Culture, the Americas of Four Seasons Hotels & Resorts from 2018 to 2021. Prior to that, Ms. Charpentier also served in various Human Resources and operational positions at Aramark from 1995 until 2018, including as Vice President, Human Resources at Aramark Headquarters from 2017 to 2018 and Vice President, Human Resources, Aramark Education from 2014 to 2017.

Lauren A. Harrington was appointed Senior Vice President and General Counsel in March 2019. From August 2009 to March 2019, Ms. Harrington served as Vice President and Associate General Counsel and from May 2006 to August 2009, she served as Assistant General Counsel. Before joining us, Ms. Harrington was an Associate at WilmerHale LLP.

Marc A. Bruno was appointed Chief Operating Officer, United States Food and Facilities in November 2019. From 2018 to November 2019, Mr. Bruno served as Chief Operating Officer, Sports, Leisure, Corrections, Facilities and K-12. From 2014 to 2018, Mr. Bruno served as Chief Operating Officer, Sports, Leisure and Corrections. From 2008 to 2014, he served as President, Sports and Entertainment, and prior to that he served in various other positions within our food and support services business from 1993 to 2008. Mr. Bruno serves on the Board of Directors of United Rentals, Inc., Special Olympics of Pennsylvania and Alex's Lemonade Stand Foundation.

PART II

Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

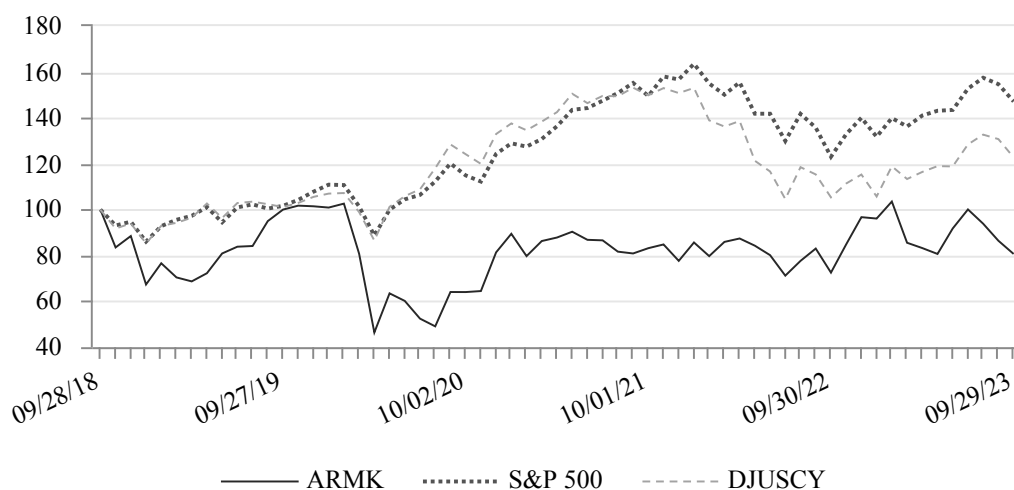
Market Information

Shares of our common stock began trading on December 12, 2013 and are quoted on the NYSE under the ticker symbol “ARMK.” As of October 27, 2023, there were approximately 934 holders of record of our outstanding common stock. This does not include persons who hold our common stock in nominee or “street name” accounts through brokers or banks.

Stock Price Performance

This performance graph and related information shall not be deemed “filed” for purposes of Section 18 of the Exchange Act or incorporated by reference into any filing of Aramark under the Securities Act or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

The following graph shows a comparison from September 28, 2018, the last trading day of fiscal 2018, through September 29, 2023 of the cumulative total return for our common stock, The Standard & Poor’s (“S&P”) 500 Stock Index and The Dow Jones Consumer Non-Cyclical Index (“DJUSCY”). The graph assumes that \$100 was invested in our common stock and in each index at the market close on September 28, 2018 and assumes that all dividends were reinvested. The stock price performance of the following graph is not necessarily indicative of future stock price performance.



	September 28, 2018	September 27, 2019	October 2, 2020	October 1, 2021	September 30, 2022	September 29, 2023
Aramark	\$ 100.0	\$ 100.0	\$ 64.0	\$ 83.2	\$ 72.5	\$ 80.7
S&P 500	\$ 100.0	\$ 101.6	\$ 114.9	\$ 149.5	\$ 123.0	\$ 147.2
Dow Jones Consumer Non-Cyclical Index	\$ 100.0	\$ 101.1	\$ 124.2	\$ 149.8	\$ 105.3	\$ 122.8

Unregistered Sales of Equity Securities

There were no unregistered sales of equity securities during the fiscal year ended September 29, 2023 which have not been previously disclosed in a quarterly report on Form 10-Q or a current report on Form 8-K.

Purchases of Equity Securities by the Issuer

There were no repurchases of equity securities by us in the fourth fiscal quarter ended September 29, 2023.

Item 6. [Reserved]

Item 7.

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 fiscal years ended September 29, 2023 and September 30, 2022 should be read in conjunction with our audited consolidated financial statements and the notes to those statements. Discussion and analysis of our financial condition and results of operations for the fiscal year ended September 30, 2022 compared to the fiscal year ended October 1, 2021 is included under the heading Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations - Results of Operations - Fiscal 2022 Compared to Fiscal 2021 and - Liquidity and Capital Resources" in our Annual Report on Form 10-K filed for the fiscal year ended September 30, 2022 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 set forth under "Risk Factors," "Special Note About Forward-looking Statements" and "Business" sections and elsewhere in this Annual Report on Form 10-K ("Annual Report"). 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 Annual Report.

Overview

We are a leading global provider of food and facilities services to education, healthcare, business & industry and sports, leisure & corrections clients. Our core market is the United States, which is supplemented by an additional 14-country footprint. We also provide our services on a more limited basis in several additional countries and in offshore locations. 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 customers including students, patients, employees, sports fans and guests worldwide.

Subsequent to the end of fiscal 2023, we completed the previously announced separation of our Uniform segment into an independent publicly traded company, Vestis Corporation ("Vestis"), on September 30, 2023. Going forward, we plan to operate our remaining Food and Support Services business in two geographic reportable segments split between our United States and International operations.

Prior to the separation, we operated our business in three reportable segments:

- Food and Support Services United States ("FSS United States") - Food, refreshment, specialized dietary and support services, including facility maintenance and housekeeping, provided to business, educational and healthcare institutions and in sports, leisure and other facilities serving the general public in the United States.
- Food and Support Services International ("FSS International") - Food, refreshment, specialized dietary and support services, including facility maintenance and housekeeping, provided to business, educational and healthcare institutions and in sports, leisure and other facilities serving the general public. We have operations in 14 countries outside the United States. Our largest international operations are in Canada, Chile, China, Germany, Spain and the United Kingdom, and in a majority of these countries we are one of the leading food and/or facility services providers.
- Uniform and Career Apparel ("Uniform") - Provided a full-service employee uniform solution, resulting in a contracted and recurring revenue model. The customer base was serviced by a leading geographic footprint in the United States and Canada with programs focused on uniforms, floor mats, towels, linens, restroom supplies, first-aid supplies, safety products and other workplace supplies. Customers operated in the United States and Canada in a wide range of industries, including manufacturing, hospitality, retail, food processing, pharmaceuticals, healthcare and automotive.

Our Food and Support Services 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 and operates in the same sectors. Administrative expenses not allocated to our reportable segments are presented separately as corporate expenses.

Aramark's Spin-off of the Uniform Segment

The separation of our Uniform segment was structured as a tax free spin-off, which occurred by way of a pro rata distribution to Aramark stockholders. Each of the Aramark stockholders received one share of Vestis common stock for every two shares of Aramark common stock held of record as of the close of business on September 20, 2023. Vestis is now an independent public company under the symbol "VSTS" on the New York Stock Exchange. With the completion of the separation and distribution, the historical results of the Uniform segment will be presented as discontinued operations in the Company's consolidated financial statements beginning in the first quarter of fiscal 2024. Refer to Note 15 to the audited consolidated financial statements for Uniform reportable segment financial disclosures.

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 and the recent Israel-Hamas War and escalating tensions in the region, has caused inflation in product, energy and labor costs, has increased market interest rates and has driven significant changes in foreign currencies. Although we continue to see a moderation in inflation in some markets around the world, including the United States, we continue to evaluate and react to the effects of global economic disruptions, including inflationary pressures on product and energy costs and greater labor challenges. We expect these challenges to continue in the near-term, and we regularly evaluate and believe we 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.

Acquisition

On June 2, 2022, we completed the acquisition of Union Supply Group, Inc. ("Union Supply"), a commissary goods and services supplier, for cash consideration of \$199.6 million, plus contingent consideration (see Note 2 and Note 16 to the audited consolidated financial statements).

Sale of AIM Services Co., Ltd Equity Investment

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 \$535.0 million in cash in a taxable transaction resulting in a pre-tax gain on sale of this equity investment of \$377.1 million (\$278.7 million net of tax) during fiscal 2023 (see Note 1 to the audited consolidated financial statements).

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.

Sources of Revenue

Our clients engage us, generally through written contracts, to provide our services at their locations. Depending on the type of client and service, we are paid either by our client or directly by the customer to whom we have been provided access by our client. We typically use either profit and loss contracts or client interest contracts in our FSS United States and FSS International segments. These contracts differ in their provision for the amount of financial risk we bear and, accordingly, the potential compensation, profits or fees we may receive. Under profit and loss contracts, we receive all of the revenue from, and bear all of the expenses of, the provision of our services at a client location. For fiscal 2023, approximately two-thirds of our FSS United States and FSS International segment revenue was derived from profit and loss contracts. Client interest contracts include management fee contracts, under which our clients reimburse our operating costs and pay us a management fee, which may be calculated as a fixed dollar amount or a percentage of revenue or operating costs. Some management fee contracts entitle us to receive incentive fees based upon our performance under the contract, as measured by factors such as revenue, operating costs and customer satisfaction surveys. For fiscal 2023, approximately one-third of our FSS United States and FSS International segment revenue was derived from client interest contracts.

Costs and Expenses

Our costs and expenses are comprised of cost of services provided (exclusive of depreciation and amortization), depreciation and amortization and selling and general corporate expenses. Cost of services provided (exclusive of depreciation and amortization) consists of direct expenses associated with our operations, which includes food costs, wages, other labor-related expenses (including workers' compensation, severance, state unemployment insurance and federal or state mandated health benefits and other healthcare costs), insurance, fuel, utilities, piece goods and clothing and equipment. Direct expense related to

food costs within Cost of services provided (exclusive of depreciation and amortization) are offset by rebates, vendor allowances and volume discounts. Depreciation and amortization expenses mainly relate to assets used in generating revenue. Selling and general corporate expenses include sales commissions, severance, share-based compensation and other unallocated costs related to administrative functions including finance, legal and human resources.

Interest and Other Financing Costs, net

Interest and other financing costs, net, relates primarily to interest expense on long-term borrowings. Interest and other financing costs, net also includes third-party costs associated with long-term borrowings that were capitalized and are being amortized over the term of the borrowing.

Provision for Income Taxes

The Provision for Income Taxes represents federal, foreign, state and local income taxes. Our effective tax rate differs from the statutory United States income tax rate due to the effect of state and local income taxes, tax rates in foreign jurisdictions, tax credits and certain nondeductible expenses. Our effective tax rate will change from quarter to quarter based on recurring and nonrecurring factors including, but not limited to, the geographical mix of earnings, state and local income taxes, tax audit settlements, share-based award exercise activity and enacted tax legislation, including certain business tax credits. Changes in judgment due to the evaluation of new information resulting in the recognition, derecognition or remeasurement of a tax position taken in a prior annual period are recognized separately in the quarter of the change.

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 to September 30th. The fiscal years ended September 29, 2023 and September 30, 2022 were each a fifty-two week period.

Results of Operations

Fiscal 2023 Compared to Fiscal 2022

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 fiscal years 2023 and 2022 (dollars in millions).

	Fiscal Year Ended		Change	Change
	September 29, 2023	September 30, 2022	\$	%
Revenue	\$ 18,853.9	\$ 16,326.6	\$ 2,527.3	15.5 %
Costs and Expenses:				
Cost of services provided (exclusive of depreciation and amortization)	17,037.8	14,767.5	2,270.3	15.4 %
Other operating expenses	953.2	930.7	22.5	2.4 %
	17,991.0	15,698.2	2,292.8	14.6 %
Operating income	862.9	628.4	234.5	37.3 %
Gain on Equity Investments, net	(427.8)	—	(427.8)	(100.0)%
Interest and Other Financing Costs, net	439.6	372.8	66.8	17.9 %
Income Before Income Taxes	851.1	255.6	595.5	232.9 %
Provision for Income Taxes	177.6	61.4	116.2	189.0 %
Net income	\$ 673.5	\$ 194.2	\$ 479.3	246.9 %

Revenue by Segment ⁽¹⁾	Fiscal Year Ended		Change	Change
	September 29, 2023	September 30, 2022	\$	%
FSS United States	\$ 11,721.4	\$ 10,030.8	\$ 1,690.6	16.9%
FSS International	4,361.8	3,656.4	705.4	19.3%
Uniform	2,770.7	2,639.4	131.3	5.0%
	\$ 18,853.9	\$ 16,326.6	\$ 2,527.3	15.5%

Operating Income by Segment	Fiscal Year Ended		Change	Change
	September 29, 2023	September 30, 2022	\$	%
FSS United States	\$ 669.5	\$ 449.0	\$ 220.5	49.1%
FSS International	114.5	112.5	2.0	1.7 %
Uniform	227.3	218.1	9.2	4.2%
Corporate	(148.4)	(151.2)	2.8	1.9%
	\$ 862.9	\$ 628.4	\$ 234.5	37.3%

⁽¹⁾ As a percentage of total revenue, FSS United States represented 62.2% and 61.4%, FSS International represented 23.1% and 22.4% and Uniform represented 14.7% and 16.2% for fiscal 2023 and fiscal 2022, respectively.

Consolidated Overview

Revenue increased by 15.5% during fiscal 2023 compared to the prior year period, which was primarily attributable to growth in base business, including pricing pass-throughs, and net new business. In addition, the Union Supply acquisition contributed an additional 1.2% of revenue compared to the prior year period. Foreign currency translation unfavorably impacted revenue during fiscal 2023 by 1.3%.

The following table presents the cost of services provided (exclusive of depreciation and amortization) by segment and as a percent of revenue for the fiscal years ended September 29, 2023 and September 30, 2022.

Cost of services provided (exclusive of depreciation and amortization)	Fiscal Year Ended			
	September 29, 2023		September 30, 2022	
	\$	% of Revenue	\$	% of Revenue
FSS United States	\$ 10,596.0	90.4 %	\$ 9,145.0	91.2 %
FSS International	4,159.1	95.4 %	3,456.5	94.5 %
Uniform	2,282.7	82.4 %	2,166.0	82.1 %
	<u>\$ 17,037.8</u>	<u>90.4 %</u>	<u>\$ 14,767.5</u>	<u>90.5 %</u>

The following table presents the percentages attributable to the components in cost of services provided (exclusive of depreciation and amortization) for fiscal 2023 and fiscal 2022.

Cost of services provided (exclusive of depreciation and amortization) components	Fiscal Year Ended	
	September 29, 2023	September 30, 2022
Food and support service costs ⁽¹⁾	28.8 %	26.5 %
Personnel costs ⁽²⁾	45.8 %	47.7 %
Other direct costs ⁽³⁾	25.4 %	25.8 %
	<u>100.0 %</u>	<u>100.0 %</u>

(1) Food and support service costs represented a higher proportion of total cost of services provided (exclusive of depreciation and amortization) during fiscal 2023 compared to the prior year period mainly from product cost inflation and volume increases due to revenue growth.

(2) Personnel costs decreased as a percentage of total cost of services provided (exclusive of depreciation and amortization) during fiscal 2023 compared to the prior year period due to food and support service costs increasing at a higher proportion as compared to personnel costs.

(3) Other direct costs represented a lower proportion of total cost of services provided (exclusive of depreciation and amortization) during fiscal 2023 driven by food and support service costs increasing at a higher proportion as compared to other direct costs. In addition, fiscal 2023 was impacted by \$70.6 million of incremental non-cash income from the reduction of contingent consideration liabilities, net of compensation expense, related to acquisition earn outs as compared to the prior year (see Note 16 to the audited consolidated financial statements) and impairment charges of operating lease right of use assets, property and equipment and other costs related to certain real estate properties of \$26.7 million (see Note 1 to the audited consolidated financial statements).

Operating income increased by \$234.5 million during fiscal 2023 compared to the prior year period, which was driven by base business growth, including volume recovery from COVID-19, and effective cost management. The increase in operating income during fiscal 2023 also benefited from higher non-cash income from the reduction of the contingent consideration liabilities related to acquisition earn outs, net of expense (\$70.6 million) (see Note 16 to the audited consolidated financial statements), prior year charge related to inventory write-downs to zero net realizable value for personal protective equipment (\$20.5 million) and from higher income related to favorable loss experience under our general liability, automotive liability and workers' compensation liability programs when compared to fiscal 2022 (\$19.1 million).

These increases in operating income during fiscal 2023 more than offset:

- increased inflationary costs in product, energy and labor;
- higher personnel and other expenses related to the spin-off of the Uniform segment (\$41.8 million);
- impairment charges of operating lease right-of-use assets and property and equipment and other costs related to certain real estate properties (\$26.7 million) (see Note 1 to the audited consolidated financial statements);
- prior year labor related tax credits provided from governmental assistance programs (\$24.5 million);
- higher severance charges (\$20.8 million) (see Note 3 to the audited consolidated financial statements); and
- negative impact of foreign currency translation (\$10.2 million).

During fiscal 2023, we recognized a \$377.1 million gain on the sale of our 50% ownership interest in AIM Services Co., Ltd. and a \$51.8 million gain on the sale of the ownership interest in an equity investment in a foreign company, which is included in "Gain on Equity Investments, net" on the Consolidated Statements of Income (Loss) (see Note 1 to the audited consolidated financial statements). This gain was partially offset by a \$1.1 million loss from the sale of a portion of our equity investment in the San Antonio Spurs NBA franchise (see Note 1 to the audited consolidated financial statements).

Interest and Other Financing Costs, net, increased 17.9% during fiscal 2023 compared to the prior year period. The increase for fiscal 2023 was primarily due to higher interest rates related to our senior secured term loan facilities and our Receivables Facility and revolving credit facility.

The Provision for Income Taxes for fiscal 2023 and fiscal 2022 was recorded at an effective tax rate of 20.9% and 24.0%, respectively. The lower effective tax rate in the current year compared to the prior year was driven by favorable tax effects from the sale of our equity investment in a foreign company (see Note 1 to the audited consolidated financial statements) and the reversal of a portion of the Union Supply contingent consideration liability (see Note 16 to the audited consolidated financial statements), as the majority of the gains from these transactions were not subject to tax. During fiscal 2023 and fiscal 2022, we recorded an income tax benefit of \$3.8 million and \$8.5 million, respectively, for the reversal of a valuation allowance at a subsidiary in the FSS International segment driven by our ability to utilize deferred tax assets based on future taxable income expected due to business acquisitions. We also recorded a benefit to the Provision for Income Taxes of \$4.2 million during fiscal 2022 due to a state tax law change (see Note 10 to the audited 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 is summarized as follows (in millions):

	Fiscal Year Ended		Change
	September 29, 2023	September 30, 2022	%
Business & Industry	\$ 1,407.2	\$ 1,081.2	30.2 %
Education	3,437.0	3,161.5	8.7 %
Healthcare	1,318.3	1,235.8	6.7 %
Sports, Leisure & Corrections	3,537.1	2,722.0	29.9 %
Facilities & Other	2,021.8	1,830.3	10.5 %
	<u>\$ 11,721.4</u>	<u>\$ 10,030.8</u>	16.9 %

The Healthcare and Facilities & Other sectors had high-single digit operating income margins, consistent with prior year. The Education and Sports, Leisure & Corrections sectors had mid-single digit operating income margins, consistent with prior year. The Business & Industry sector had low-single digit operating income margins compared to negative low-single digit operating income margins in the prior year. During the COVID-19 pandemic and in following periods, operating income margin in certain sectors within the FSS United States reportable segment have differed from our otherwise historical patterns, particularly in the Business & Industry sector.

FSS United States segment revenue increased by approximately 16.9% during fiscal 2023 compared to the prior year period. The increase was primarily attributable to base business growth, including contract price increases mainly within the Corrections and Higher Education businesses, and net new business growth. 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 an additional 2.0% of revenue during fiscal 2023 as compared to the prior year period. The Business & Industry sector increased due to client personnel continuing to return to office locations.

Operating income increased by \$220.5 million during fiscal 2023 compared to the prior year period. The increase during fiscal 2023 was attributable to:

- base business growth, including volume recovery from COVID-19, and effective cost management;
- higher non-cash income from the reduction of the contingent consideration liabilities related to acquisition earn outs, net of expense (\$70.6 million) (see Note 16 to the audited consolidated financial statements);
- higher income related to favorable loss experience under our general liability, automotive liability and workers' compensation liability programs when compared to fiscal 2022 (\$19.1 million); and
- higher income attributed to the Union Supply acquisition as compared to the prior year period (\$10.6 million).

These increases in operating income during fiscal 2023 more than offset the following:

- increased inflationary costs in food and labor;
- non-cash charges for the impairment of operating lease right-of-use assets and property and equipment related to certain real estate properties (\$19.0 million) (see Note 1 to the audited consolidated financial statements); and
- non-cash charge for the impairment of computer software assets (\$8.2 million).

FSS International Segment

FSS International segment revenue increased by approximately 19.3% during fiscal 2023 compared to the prior year period. The increase was primarily attributable to base business growth, including contract price increases, and net new business growth. The growth in revenue was offset by the negative impact of foreign currency translation (5.0%).

Operating income increased by \$2.0 million during fiscal 2023 compared to the prior year period. The increase was attributable to growth in base and net new business and lower personnel costs from headcount reductions taken during the second quarter of fiscal 2023 and late fiscal 2022. These increases in operating income during fiscal 2023 more than offset the following:

- increased inflationary costs in product and labor;
- decline in profit related to the sale of our 50% ownership interest in AIM Services Co., Ltd.;
- prior year labor related tax credits provided from governmental assistance programs (\$24.1 million);
- higher severance charges (\$18.0 million) (see Note 3 to the audited consolidated financial statements);
- prior year favorable impact related to a client contract dispute (\$9.6 million);
- unfavorable impact of foreign currency translation (\$7.8 million);
- higher currency translation losses from Argentina hyperinflation (\$7.0 million) (see Note 1 to the audited consolidated financial statements); and
- non-cash charges for the impairment of certain assets related to a business that was sold (\$5.2 million).

Uniform Segment

Uniform segment revenue increased by approximately 5.0% during fiscal 2023 compared to the prior year period. The increase was primarily due to base business growth and contract price increases.

Operating income increased by \$9.2 million during fiscal 2023 compared to the prior year period. The increase was mostly attributable to:

- base business growth;
- lower personnel costs from headcount reductions taken during the second quarter of fiscal 2023;
- prior year charge related to inventory write-downs to zero net realizable value for personal protective equipment (\$20.5 million); and
- gain from the sale of land (\$6.8 million).

These increases in operating income during fiscal 2023 more than offset the following:

- increased inflationary costs in product, energy and labor;
- higher expenses related to the spin-off of the Uniform segment (\$27.0 million);
- charges for the impairment of operating lease right-of-use assets and other costs related to certain real estate properties (\$7.7 million) (see Note 1 to the audited consolidated financial statements); and
- current year severance charges (\$6.6 million) (see Note 3 to the audited consolidated financial statements).

Corporate

Corporate expenses, those administrative expenses not allocated to the business segments, decreased by \$2.8 million during fiscal 2023 compared to the prior year period. The decrease was attributable to:

- lower share-based compensation expense (\$8.6 million) compared to the prior period (see Note 12 to the audited consolidated financial statements); and
- favorable change in fair value of certain gasoline and diesel agreements (\$8.3 million).

These decreases in corporate expenses during fiscal 2023 more than offset higher expenses related to the spin-off of the Uniform segment compared to prior year period (\$14.8 million).

Liquidity and Capital Resources

Overview

Our principal sources of liquidity are cash generated from operating activities, funds from borrowings, investments in marketable securities and existing cash on hand. As of September 29, 2023, we had \$1,963.1 million of cash and cash

equivalents, \$953.8 million of availability under our senior secured revolving credit facility and \$600.0 million of availability under the Receivables Facility. On October 2, 2023, we repaid the \$1,500.0 million 6.375% Senior Notes due May 1, 2025 ("6.375% Senior Notes due 2025") from existing cash on hand at year-end in conjunction with the separation and distribution of the Uniform segment. In addition, the Uniform segment United States dollar denominated term loan of \$800.0 million, due September 2025 ("United States Term A-1 Loans due September 2025") and United States dollar denominated term loan of \$700.0 million, due September 2028 ("United States Term A-2 Loans due September 2028") will be removed from Aramark's Consolidated Balance Sheets as a result of the separation and distribution of the Uniform segment on September 30, 2023. A significant portion of our cash and cash equivalents are held in mature, liquid geographies where we have operations. As of September 29, 2023, there were \$685.7 million of outstanding foreign currency borrowings. See Note 5 to the audited consolidated financial statements for additional information on the Uniform segment's new United States dollar denominated term loan borrowings.

We believe that our cash and cash equivalents, marketable securities and availability under our revolving credit facility and Receivables 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 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."

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

	Fiscal Year Ended	
	September 29, 2023	September 30, 2022
Net cash provided by operating activities	\$ 766.4	\$ 694.5
Net cash provided by (used in) investing activities	208.9	(831.3)
Net cash provided by (used in) financing activities	653.6	(37.7)

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

Cash Flows Provided by Operating Activities

Cash provided by operating activities increased by \$71.9 million during fiscal 2023 compared to fiscal 2022. The change was driven by higher net income, inclusive of non-cash adjustments, in fiscal 2023 compared to fiscal 2022, as discussed in "Results of Operations" above. Additionally, cash provided by operating activities was favorably impacted by the change in operating assets and liabilities compared to the prior year period by \$36.1 million, which was primarily due to:

- Receivables by \$261.2 million, resulting in a lower use of cash during fiscal 2023 compared to fiscal 2022 as the prior year period had a higher use of cash from operations returning following the lifting of COVID-19 restrictions. Both periods were impacted by base and new business growth and timing of collections;
- Accrued expenses by \$74.9 million generating a greater source of cash during fiscal 2023 compared to fiscal 2022 primarily due to timing of deferred income payments, growth in business operations, higher severance charges recorded in fiscal 2023 and timing of other payments, which more than offset higher interest payments on borrowings; and
- Inventories by \$33.6 million, resulting in a lower use of cash during fiscal 2023 compared to fiscal 2022 as the prior year period was impacted from operations returning following the lifting of COVID-19 restrictions.

These changes in operating assets and liabilities more than offset:

- Accounts payable by \$329.1 million, resulting in a lower source of cash during fiscal 2023 compared to fiscal 2022 from the timing of disbursements.

During fiscal 2023 and fiscal 2022, we received proceeds of \$21.4 million and \$1.9 million, respectively, related to favorable loss experience in older insurance years under our general liability, automobile liability and workers' compensation programs. "Payments made to clients on contracts" generated a higher use of cash during fiscal 2023 compared to fiscal 2022 primarily due to contract renewals and new business. Fiscal 2022 included \$57.7 million of proceeds associated with labor related tax credits from many foreign jurisdictions in which we operate as a form of relief from COVID-19. The "Changes in other assets" caption was driven by the prior year increase to in-service rental merchandise from operations returning after COVID-19 restrictions lifted and higher amortization of client investments due to an increase in investments related to base and new business growth, which more than offset higher cash distributions received from our 50% ownership interest in AIM Services Co., Ltd. in fiscal 2022 compared to fiscal 2023. The "Other operating activities" caption reflects mainly adjustments to net

income in the current year and prior year periods related to certain non-cash gains and losses and adjustments to non-operating cash gains and losses.

Cash Flows Provided by (Used in) Investing Activities

The net cash flows provided by investing activities during fiscal 2023 was primarily impacted by proceeds from the sales of equity investments (\$685.0 million) (see Note 1 to the audited consolidated financial statements) and proceeds from the maturity of United States Treasury securities related to our captive insurance subsidiary (\$80.0 million), offset by purchases of property and equipment and other (\$461.4 million), purchases of United States Treasury securities related to our captive insurance subsidiary (\$110.0 million) and acquisitions of certain businesses (\$50.2 million).

The net cash flows used in investing activities during fiscal 2022 was impacted by purchases of property and equipment and other (\$388.4 million), acquisitions of certain businesses, including Union Supply (\$199.6 million) and other acquisitions (\$140.4 million) (see Note 2 to the audited consolidated financial statements), purchases of marketable securities (\$78.2 million) and the acquisition of equity investments (\$64.0 million).

The "Other investing activities" caption includes \$37.6 million and \$19.0 million of proceeds received during fiscal 2023 and 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 (Used in) Financing Activities

During fiscal 2023, cash provided by financing activities was impacted by the following:

- proceeds from issuance of new United States Term B-6 Loans due 2030 (\$1,089.0 million);
- proceeds from Uniform issuance of new United States Term A-1 Loans due 2025 (\$800.0 million);
- proceeds from Uniform issuance of new United States Term A-2 Loans due 2028 (\$700.0 million); and
- borrowings under the revolving credit facility (\$101.4 million).

Cash provided by financing activity more than offset cash used in the following:

- repayments of United States Term B-3 Loans due 2025 (\$1,664.8 million);
- payments of dividends (\$114.6 million);
- repayment of borrowing under the Receivables Facility (\$104.9 million); and
- repayment of yen denominated term loans due 2026 (\$63.0 million).

See Note 5 to the audited consolidated financial statements for additional information on borrowing activities during fiscal 2023.

During fiscal 2022, cash used in financing activities was impacted by the following:

- payments of dividends (\$113.1 million);
- borrowing under the Receivables Facility (\$104.9 million); and
- the repayment of 5.000% 2025 Senior Notes and foreign term loans (\$66.7 million).

The "Other financing activities" caption also reflects a use of cash during 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. Fiscal 2023 also includes debt issuance costs of \$22.6 million mainly related to Uniform's new United States Term A-1 and A-2 loan borrowings and Aramark's new United States Term B-6 Loans due 2030.

We intend to continue to pay cash dividends on our common stock, subject to our compliance with applicable law, and depending on, among other things, our results of operations, financial condition, level of indebtedness, capital requirements, contractual restrictions, restrictions in our debt agreements, business prospects and other factors that our Board of Directors may deem relevant. However, the payment of any future dividends will be at the discretion of our Board of Directors and our Board of Directors may, at any time, determine not to continue to declare quarterly dividends.

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 September 29, 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 generally accepted accounting principles in the United States ("U.S. GAAP"). Covenant Adjusted EBITDA is defined as net income of Aramark Services, Inc. ("ASI") and its restricted subsidiaries plus interest and other financing costs, net, provision for income taxes, and depreciation and amortization, further adjusted to give effect to adjustments required in calculating covenant ratios and compliance under our Credit Agreement and the indentures governing our senior notes.

Our presentation of these measures has limitations as an analytical tool, and should not be considered in isolation or as a substitute for analysis of our results as reported under U.S. GAAP. You should not consider these measures as alternatives to net income or operating income determined in accordance with U.S. GAAP. Covenant Adjusted EBITDA, as presented by us, may not be comparable to other similarly titled measures of other companies because not all companies use identical calculations.

The following is a reconciliation of Net income attributable to ASI stockholder, which is a U.S. GAAP measure of ASI's operating results, to Covenant Adjusted EBITDA as defined in our debt agreements. The terms and related calculations are defined in the Credit Agreement and the indentures governing our senior notes. Covenant Adjusted EBITDA is a measure of ASI and its restricted subsidiaries only and does not include the results of Aramark.

(in millions)	Twelve Months Ended	
	September 29, 2023	September 30, 2022
Net income attributable to ASI stockholders	\$ 674.1	\$ 194.5
Interest and other financing costs, net	439.6	372.7
Provision for income taxes	177.6	61.5
Depreciation and amortization	546.4	532.3
Share-based compensation expense ⁽¹⁾	86.9	95.5
Unusual or non-recurring (gains) and losses ⁽²⁾	(422.6)	—
Pro forma EBITDA for certain transactions ⁽³⁾	4.0	11.8
Other ⁽⁴⁾⁽⁵⁾	100.7	53.4
Covenant Adjusted EBITDA	<u>\$ 1,606.7</u>	<u>\$ 1,321.7</u>

(1) Represents share-based compensation expense resulting from the application of accounting for stock options, restricted stock units, performance stock units, deferred stock units awards and employee stock purchases (see Note 12 to the audited consolidated financial statements).

(2) The twelve months ended September 29, 2023 represents the fiscal 2023 gain from the sale of our equity method investment in AIM Services, Co., Ltd. (\$377.1 million), the fiscal 2023 gain from the sale of our equity investment in a foreign company (\$51.8 million), the fiscal 2023 non-cash charge for the impairment of certain assets related to a

business that was sold (\$5.2 million) and the fiscal 2023 loss from the sale of a portion of our equity investment in the San Antonio Spurs NBA franchise (\$1.1 million).

- (3) Represents the annualizing of net EBITDA from certain acquisitions and divestitures made during the period.
- (4) "Other" for the twelve months ended September 29, 2023 includes the reversal of contingent consideration liabilities related to acquisition earn outs, net of expense (\$85.7 million), charges related to the spin-off of the Uniform segment (\$51.1 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 (\$47.5 million), net severance charges (\$37.5 million), non-cash charges for the impairment of operating lease right-of-use assets and property and equipment related to certain real estate properties (\$29.3 million), income related to non-United States governmental wage subsidies (\$12.5 million), the impact of hyperinflation in Argentina (\$10.4 million), non-cash charges related to information technology assets (\$8.2 million), the gain from the sale of land (\$6.8 million), net multiemployer pension plan withdrawal charges (\$5.9 million), labor charges and other expenses associated with closed or partially closed locations from adverse weather (\$5.4 million), legal settlement charges (\$2.7 million), non-cash charges for inventory write-downs (\$2.6 million), the gain from the change in fair value related to certain gasoline and diesel agreements (\$1.9 million) and other miscellaneous expenses.
- (5) "Other" for the twelve months ended September 30, 2022 includes 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 (\$34.8 million), non-cash charges for inventory write-downs to net realizable value and fixed asset write-offs related to personal protective equipment (\$20.5 million), severance charges (\$19.6 million), United States and non-United States governmental labor related tax credits resulting from the COVID-19 pandemic (\$17.3 million), the reversal of contingent consideration liabilities related to acquisition earn outs, net of expense (\$15.1 million), the favorable impact related to a client contract dispute (\$9.6 million), charges related to our spin-off of the Uniform segment (\$9.3 million), favorable adjustments for the EBITDA impact attributable to equity investments that are permitted in the calculation in accordance with the Credit Agreement and indentures, primarily from our previous ownership interest in AIM Services Co., Ltd. (\$8.4 million), the gain from a funding agreement related to a legal matter (\$6.5 million), the loss from the change in fair value related to certain gasoline and diesel agreements (\$6.4 million), the gain from insurance proceeds received related to property damage from a tornado in Nashville (\$4.0 million), the impact of hyperinflation in Argentina (\$3.5 million), due diligence charges related to acquisitions (\$2.5 million) and other miscellaneous expenses.

Our covenant requirements and actual ratios for the twelve months ended September 29, 2023 are as follows:

	Covenant Requirements	Actual Ratios
Consolidated Secured Debt Ratio ⁽¹⁾	≤ 5.125x	1.76x
Interest Coverage Ratio (Fixed Charge Coverage Ratio) ⁽²⁾	≥ 2.000x	3.63x

- (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 sheets 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 United States 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 and does not result in a default under the Credit Agreement or the indentures governing the senior notes. 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 the 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 the 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.

The following table summarizes our future obligations for debt repayments, finance leases, estimated interest payments, future minimum rental and similar commitments under noncancelable operating leases as well as contingent obligations related to outstanding letters of credit and guarantees as of September 29, 2023 (dollars in thousands):

Contractual Obligations as of September 29, 2023	Payments Due by Period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long-term borrowings ⁽¹⁾	\$ 8,156,980	\$1,573,383	\$2,203,629	\$3,337,718	\$1,042,250
Finance lease obligations	193,321	37,366	63,216	43,339	49,400
Estimated interest payments ⁽²⁾	1,197,400	255,100	470,800	348,200	123,300
Operating leases and other noncancelable commitments	422,362	85,073	129,330	82,931	125,028
Purchase obligations ⁽³⁾	840,820	342,867	252,932	79,229	165,792
Other liabilities ⁽⁴⁾	630,167	229,401	128,107	27,019	245,640
	<u>\$11,441,050</u>	<u>\$2,523,190</u>	<u>\$3,248,014</u>	<u>\$3,918,436</u>	<u>\$1,751,410</u>

Other Commercial Commitments as of September 29, 2023	Amount of Commitment Expiration by Period				
	Total Amounts Committed	Less than 1 year	1-3 years	3-5 years	More than 5 years
Letters of credit	\$ 85,476	\$ 55,138	\$ 30,338	\$ —	\$ —

- (1) Excludes the \$47.1 million reduction to long-term borrowings from debt issuance costs, \$10.7 million reduction from the discount on the United States Term B-6 Loans due 2030 and \$0.5 million reduction from the discount on the United States Term B-4 Loans due 2027. Subsequent to September 29, 2023, Aramark redeemed the 6.375% Senior Notes due 2025 of \$1,500.0 million from the proceeds received in conjunction with the separation and distribution of the Uniform segment. In addition, the Uniform segment United States term loan of \$800.0 million due 2025 and \$700.0 million due 2028 will be removed from Aramark's Consolidated Balance Sheets as a result of the separation and distribution of the Uniform segment on September 30, 2023.
- (2) These amounts represent future interest payments related to our existing debt obligations based on fixed and variable interest rates specified in the associated debt agreements and reflect any current hedging arrangements. Payments related to variable debt are based on applicable rates at September 29, 2023 plus the specified margin in the associated debt agreements for each period presented. The amounts provided relate only to existing debt obligations and do not assume the refinancing or replacement of such debt. The weighted average debt balance for each fiscal year from 2024 through 2029 is \$6,779.3 million, \$6,216.8 million, \$4,676.6 million, \$4,006.0 million, \$2,415.9 million and \$1,069.7 million, respectively. The weighted average interest rate of our existing debt obligations for each fiscal year from 2024 through 2029 is 3.76%, 4.28%, 4.37%, 4.86%, 6.36% and 7.70%, respectively (see Note 5 to the audited consolidated financial statements for the terms and maturities of existing debt obligations). Subsequent to September 29, 2023, Aramark redeemed the 6.375% Senior Notes due 2025 of \$1,500.0 million from the proceeds received in conjunction with the separation and distribution of the Uniform segment. In addition, the Uniform segment United States term loan of \$800.0 million due 2025 and \$700.0 million due 2028 will be removed from Aramark's Consolidated Balance Sheets as a result of the separation and distribution of the Uniform segment on September 30, 2023.
- (3) Represents mainly the commitments for capital projects to help finance improvements or renovations at the facilities in which we operate.
- (4) Includes certain unfunded employee retirement obligations, contingent consideration obligations related to acquisitions, self-insurance obligations, and other obligations.

We have excluded from the table above uncertain tax liabilities due to the uncertainty of the amount and period of payment. As of September 29, 2023, we have gross uncertain tax liabilities of \$70.3 million (see Note 10 to the audited consolidated

financial statements). During fiscal 2023, we made contributions totaling \$1.2 million into our defined benefit pension plans. Estimated contributions to our defined benefit pension plans in fiscal 2024 are \$1.0 million (see Note 9 to the audited consolidated financial statements).

We have a Receivables Facility agreement with four financial institutions where we sell on a continuous basis an undivided interest in all eligible accounts receivable, as defined in the Receivables Facility. The maximum amount available under the Receivables Facility as of September 29, 2023 is \$600.0 million. During the third quarter of fiscal 2023, we increased the purchase limit available under the Receivables Facility from \$500.0 million to \$600.0 million and extended the scheduled maturity date from June 2024 to July 2026. All other terms and conditions of the agreement remained largely unchanged. As of September 29, 2023, there are no outstanding borrowings under the Receivables Facility. Amounts borrowed under the Receivables Facility may fluctuate monthly based on our funding requirements and the level of qualified receivables available to collateralize the Receivables Facility.

Pursuant to the Receivables Facility, we formed ARAMARK Receivables, LLC, a wholly-owned, consolidated, bankruptcy-remote subsidiary. ARAMARK Receivables, LLC was formed for the sole purpose of buying and selling receivables generated by certain of our subsidiaries. Under the Receivables Facility, we and certain of our subsidiaries transfer without recourse all of our accounts receivable to ARAMARK Receivables, LLC. As collections reduce previously transferred interests, interests in new, eligible receivables are transferred to ARAMARK Receivables, LLC, subject to meeting certain conditions.

Supplemental Consolidating Information

Pursuant to Regulation S-X Rule 13-01, which simplified 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 audited consolidated financial statements. We insure portions of our risk related to general liability, automobile liability, workers' compensation liability claims as well as certain property damage risks through a wholly owned captive insurance subsidiary (the "Captive") as part of our approach to risk finance. 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 September 29, 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, certain property damage and related Captive costs. As of September 29, 2023 and September 30, 2022, cash and cash equivalents at the Captive were \$32.8 million and \$23.1 million, respectively. During fiscal 2022, the Captive began investing a portion of its cash and cash equivalents in United States Treasury securities to improve returns on the Captive's assets. The amount of this investment as of September 29, 2023 and September 30, 2022 was \$110.7 million and \$78.2 million, respectively, and recorded in "Prepayments and other current assets" on the 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 this Annual Report.

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.

Asset Impairment Determinations

Indefinite lived intangible assets that are not amortized are subject to an impairment test that we conduct annually or more frequently if a change in circumstances or the occurrence of events indicates that potential impairment exists. For goodwill, the impairment test may first consider qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. Examples of qualitative factors include, macroeconomic conditions, industry and market considerations, cost factors, overall financial performance, entity-specific events, events affecting reporting units and sustained changes in our stock price. If results of the qualitative assessment indicate a more likely than not determination or if a qualitative assessment is not performed, a quantitative test is performed by comparing the estimated fair value using a discounted cash flow method or market method for each reporting unit with its estimated net book value.

We perform the assessment of goodwill at the reporting unit level. Within our FSS International segment, each country or region is evaluated separately since they are relatively autonomous and separate goodwill balances have been recorded for each entity. During the fourth quarter of fiscal 2023, we performed the annual impairment test for goodwill for each of our reporting units using a quantitative testing approach. Based on the evaluation performed, we determined that the fair value of each of the reporting units significantly exceeded its respective carrying amount, and therefore, we determined that goodwill was not impaired.

The determination of fair value for each reporting unit includes assumptions, which are considered Level 3 inputs, that are subject to risk and uncertainty. The discounted cash flow calculations are dependent on several subjective factors including the timing of future cash flows, the underlying margin projection assumptions, future growth rates and the discount rate. The market based method is dependent on several subjective factors including the determination of market multiples and future cash flows. If our assumptions or estimates in our fair value calculations change or if future cash flows, margin projections or future growth rates vary from what was expected, this may impact our impairment analysis and could reduce the underlying cash flows used to estimate fair values and result in a decline in fair value that may trigger future impairment charges.

With respect to our other long-lived assets, we are required to test for asset impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable. If indicators of impairment are present, we compare the sum of the future expected cash flows from the asset, undiscounted and without interest charges, to the asset's carrying value. If the sum of the future expected cash flows from the asset is less than the carrying value, an impairment would be recognized for the difference between the estimated fair value and the carrying value of the asset.

In making future cash flow analyses of various assets, we make assumptions relating to the following:

- the intended use of assets and the expected future cash flows resulting directly from such use;
- comparable market valuations of businesses similar to Aramark's business segments;
- industry specific economic conditions;
- competitor activities and regulatory initiatives; and
- client and customer preferences and behavior patterns.

We believe that an accounting estimate relating to asset impairment is a critical accounting estimate because the assumptions underlying future cash flow estimates are subject to change from time to time and the recognition of an impairment could have a significant impact on our Consolidated Statements of Income (Loss).

Litigation and Claims

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 businesses, including those brought by clients, customers, 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, 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 breach of contractual and other obligations. We consider the measurement of litigation reserves as a critical accounting estimate because of the significant uncertainty in some cases relating to the outcome of potential claims or litigation and the difficulty of predicting the likelihood and range of potential liability involved, coupled with the material impact on our results of operations that could result from litigation or other claims. In determining legal reserves, we consider, among other issues:

- interpretation of contractual rights and obligations;

- the status of government regulatory initiatives, interpretations and investigations;
- the status of settlement negotiations;
- prior experience with similar types of claims;
- whether there is available insurance; and
- advice of counsel.

We were involved in a dispute with a client regarding our provision of services pursuant to a contract. During fiscal 2022, we resolved the matter by entering into a settlement agreement with the client whereby our obligations totaled \$13.6 million, resulting in a reversal of previously reserved amounts of \$5.7 million, which is included in "Cost of services provided (exclusive of depreciation and amortization)" on the Consolidated Statements of Income (Loss).

Allowance for Credit Losses

We encounter credit loss risks associated with the collection of receivables. We analyze historical experience, current general and specific industry economic conditions, industry concentrations, such as exposure to small and medium-sized businesses, the non-profit healthcare sector, federal and local governments, and reasonable and supportable forecasts that affect the collectability of the reported amount in estimating credit losses. The accounting estimate related to the allowance for credit losses is a critical accounting estimate because the underlying assumptions used for the allowance can change from time to time and credit losses could potentially have a material impact on our results of operations. We adopted a new accounting standard related to the measurement of expected credit losses as of October 3, 2020 (the first day of fiscal 2021).

As of September 29, 2023 and September 30, 2022, our allowance for credit losses was \$56.6 million and \$56.4 million, respectively.

Inventory Obsolescence

We record an inventory obsolescence reserve for obsolete, excess and slow-moving inventory, principally in the Uniform segment. In calculating our inventory obsolescence reserve, we analyze historical and projected data regarding customer demand within specific product categories and make assumptions regarding economic conditions within customer specific industries, as well as style and product changes. Our accounting estimate related to inventory obsolescence is a critical accounting estimate because customer demand in certain of our businesses can be variable and changes in our reserve for inventory obsolescence could materially affect our results of operations.

As of September 29, 2023 and September 30, 2022, our reserve for inventory obsolescence was \$21.0 million and \$51.3 million, respectively. The decrease in the Company's reserve was primarily due to the write-off and disposal of personal protective equipment inventory. The inventory reserve is determined based on history and projected customer consumption and specific identification.

Self-Insurance Reserves

We self-insure for obligations related to certain risks that we retain under our casualty program, which includes general liability, automobile liability and workers' compensation liability, as well as for certain property damage risks and employee healthcare benefit programs. The accounting estimates related to our self-insurance reserves are critical accounting estimates because changes in our claim experience, our ability to settle claims or other estimates and judgments we use could potentially have a material impact on our results of operations. Our reserves for retained costs associated with our casualty program are estimated through actuarial methods, with the assistance of third-party actuaries, using loss development assumptions based on our claims history. Our casualty program reserves take into account reported claims as well as incurred-but-not-reported losses using loss development factors based upon past experience. In order to determine the loss development factors, we make judgments relating to the nature, frequency, severity, and age of claims, and industry, regulatory and company-specific trends impacting the development of claims. The actual cost to settle our self-insured casualty claim liabilities can differ from our reserve estimates because of a number of uncertainties, including the inherent difficulty in estimating the severity of a claim and the potential amount to defend and settle a claim.

As of September 29, 2023 and September 30, 2022, our self-insurance reserves were \$269.8 million and \$254.4 million, respectively.

Income Taxes

We use the asset and liability method of accounting for income taxes. Under this method, income tax expense is recognized for the amount of taxes payable or refundable for the current year and for deferred tax liabilities and assets for the future tax consequences of events that have been recognized in our consolidated financial statements or tax returns. We make assumptions, judgments and estimates to determine the current income tax provision (benefit), deferred tax asset and liabilities

and valuation allowance recorded against a deferred tax asset. The assumptions, judgments and estimates relative to the current income tax provision (benefit) take into account current tax laws, their interpretation and possible results of foreign and domestic tax audits. Changes in tax law, their interpretation and resolution of tax audits could significantly impact the income taxes provided in our consolidated financial statements. Assumptions, judgments and estimates relative to the amount of deferred income taxes take into account future taxable income. Any of the assumptions, judgments and estimates mentioned above could cause the actual income tax obligations to differ from our estimates.

As of September 29, 2023 and September 30, 2022, our valuation allowance reserves recorded against deferred tax assets were \$78.2 million and \$83.8 million, respectively (see Note 10 to the audited consolidated financial statements).

New Accounting Standards Updates

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

Item 7A. 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 information below summarizes our market risks associated with debt obligations and other significant financial instruments as of September 29, 2023 (see Notes 5 and 6 to the audited consolidated financial statements). 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. For debt obligations, the table presents principal cash flows and related interest rates by contractual fiscal year of maturity. Variable interest rates disclosed represent the weighted-average rates of the portfolio at September 29, 2023. For interest rate swaps, the table presents the notional amounts and related weighted-average interest rates by fiscal year of maturity. The variable rates presented are the average forward rates for the term of each contract.

As of September 29, 2023	(US\$ equivalent in millions)							Total	Fair Value
	Expected Fiscal Year of Maturity								
	2024	2025	2026	2027	2028	Thereafter			
Debt:									
Fixed rate	\$ 1,537 ⁽¹⁾	\$ 929	\$ 29	\$ 24	\$ 1,169	\$ 50	\$ 3,738	\$ 3,628	
Average interest rate	6.3 %	4.3 %	4.4 %	4.4 %	5.0 %	4.4 %	5.3 %		
Variable rate	\$ 74	\$ 903 ⁽¹⁾	\$ 405	\$ 886	\$ 1,302 ⁽¹⁾	\$ 1,042	\$ 4,612	\$ 4,612	
Average interest rate	5.9 %	7.7 %	6.6 %	7.2 %	7.9 %	7.9 %	7.5 %		
Interest Rate Swaps:									
Receive variable/pay fixed	\$ —	\$ 800	\$ —	\$ 850	\$ 500	\$ —	\$ 2,150	\$ 147	
Average pay rate	— %	1.5 %	— %	2.5 %	1.5 %	— %			
Average receive rate	— %	5.3 %	— %	5.3 %	5.3 %	— %			

(1) Subsequent to September 29, 2023, Aramark redeemed the 6.375% Senior Notes due 2025 of \$1,500.0 million from the proceeds received in conjunction with the separation and distribution of the Uniform segment. In addition, the Uniform segment United States term loan of \$800.0 million due 2025 and \$700.0 million due 2028 will be removed from Aramark's Consolidated Balance Sheets as a result of the separation and distribution of the Uniform segment on September 30, 2023.

We 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 our exposure to price fluctuations for gasoline and diesel fuel. As of September 29, 2023, we had contracts for 6.6 million gallons outstanding through June of fiscal 2024. As of September 29, 2023, the fair value of our gasoline and diesel fuel hedge agreements is immaterial, which is included in "Accounts payable" on our Consolidated Balance Sheets.

Item 8. Financial Statements and Supplementary Data

See Financial Statements and Schedule beginning on page S-1.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Not applicable.

Item 9A. Controls and Procedures

(a) Evaluation of Disclosure 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.

(b) Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) of the Exchange Act. Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based upon criteria established in Internal Control – Integrated Framework (2013) by the Committee of Sponsoring Organizations of the Treadway Commission. Based on that evaluation, our management concluded that our internal control over financial reporting was effective as of September 29, 2023. The effectiveness of our internal control over financial reporting as of September 29, 2023 has been audited by Deloitte & Touche LLP, our independent registered public accounting firm, as stated in their report that is included herein on the following page.

(c) Change in Internal Control over Financial Reporting

No change in our internal control over financial reporting occurred during our fourth quarter of fiscal 2023 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Aramark

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Aramark and subsidiaries (the "Company") as of September 29, 2023, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of September 29, 2023, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended September 29, 2023, of the Company and our report dated November 21, 2023, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte & Touche LLP

Philadelphia, PA

November 21, 2023

Item 9B. Other Information

During the three months ended September 29, 2023, none of our directors or officers (as defined in Rule 16a-1(f) of the Securities Exchange Act of 1934, as amended), adopted, terminated or modified a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K of the Securities Act of 1933, as amended).

On November 17, 2023, Arthur B. Winkleblack notified the Company of his decision not to stand for re-election to the board of directors at the 2024 Annual Meeting of Stockholders. Mr. Winkleblack advised the Company that his decision not to stand for re-election was not the result of any disagreement with the Company on any matter relating to the Company's operations, policies, or practices.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Information about our directors and persons nominated to become directors required by Item 10 will be included under the caption "Proposal No. 1 - Election of Directors" in our Proxy Statement for the 2024 Annual Meeting of Stockholders and is incorporated herein by reference. Information about our executive officers is included under the caption "Information About Our Executive Officers" in Part I of this report and incorporated herein.

Information on beneficial ownership reporting required by Item 10, if any, will be included under the caption "Delinquent Section 16(a) Reports" in our Proxy Statement for the 2024 Annual Meeting of Stockholders and is incorporated herein by reference.

We have a Business Conduct Policy that applies to all of our directors, officers and employees, including our principal executive officer, principal financial officer and principal accounting officer, which is available on the Investor Relations section of our website at www.aramark.com. A copy of our Business Conduct Policy may be obtained free of charge by writing to Investor Relations, Aramark, 2400 Market Street, Philadelphia, PA 19103. Our Business Conduct Policy contains a "code of ethics," as defined in Item 406(b) of Regulation S-K. Please note that our website address is provided as an inactive textual reference only. We will make any legally required disclosures regarding amendments to, or waivers of, provisions of our code of ethics on our website.

The remaining information required by Item 10 will be included under the caption "Board Committees and Meetings" in our Proxy Statement for the 2024 Annual Meeting of Stockholders and is incorporated herein by reference.

Item 11. Executive Compensation

Information required by Item 11 will be included under the caption "Compensation Matters" in our Proxy Statement for the 2024 Annual Meeting of Stockholders and is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Information required by Item 12 will be included under the captions "Security Ownership of Certain Beneficial Owners and Management" and "Equity Compensation Plan Information" in our Proxy Statement for the 2024 Annual Meeting of Stockholders and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Information required by Item 13 will be included under the captions "Certain Relationships and Related Transactions" and "Director Independence and Independence Determinations" in our Proxy Statement for the 2024 Annual Meeting of Stockholders and is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services

Information required by Item 14 will be included under the caption "Fees to Independent Registered Public Accounting Firm" in our Proxy Statement for the 2024 Annual Meeting of Stockholders and is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) Financial Statements

See Index to Financial Statements and Schedule at page S-1 and the Exhibit Index.

(b) Exhibits Required by Item 601 of Regulation S-K

See the Exhibit Index which is incorporated herein by reference.

(c) Financial Statement Schedules

See Index to Financial Statements and Schedule at page S-1.

Item 16. Form 10-K Summary

None.

ARAMARK AND SUBSIDIARIES
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SCHEDULE

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All other schedules are omitted because they are not applicable, not required, or the information required to be set forth therein is included in the consolidated financial statements or in the notes thereto.

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Aramark

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Aramark and subsidiaries (the "Company") as of September 29, 2023 and September 30, 2022, the related consolidated statements of income (loss), comprehensive income, cash flows, and stockholders' equity for the years ended September 29, 2023, September 30, 2022 and October 1, 2021, and the related notes and financial statement schedule II (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of September 29, 2023 and September 30, 2022, and the results of its operations and its cash flows for the years ended September 29, 2023, September 30, 2022 and October 1, 2021 in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of September 29, 2023, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated November 21, 2023, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Goodwill - FSS US Reporting Unit - Refer to Note 4 to the financial statements

Critical Audit Matter Description

The Company's evaluation of goodwill for impairment involves the comparison of the estimated fair value of each reporting unit to its carrying amount annually in the fourth quarter of each year as of the end of the fiscal month of August or more frequently if a change in circumstances or the occurrence of events indicates that potential impairment exists. During the fourth quarter, the Company performed a quantitative test to determine the fair value of each reporting unit using discounted cash flow method or market method, which required management to make assumptions and estimates that are subject to risk and uncertainty related to future growth rates, margin projections, timing of future cash flows, the discount rate, and the determination of market multiples. Changes in these assumptions or estimates may impact the impairment analysis and could reduce the underlying cash flows used to estimate fair values and result in an impairment charge. The fair value of the FSS United States (FSS US) reporting unit exceeded its carrying amount, and therefore, the Company determined that its goodwill was not impaired.

We identified the valuation of goodwill for the FSS US reporting unit as a critical audit matter because of the significant judgments made by management to estimate its fair value. Auditing the discounted cash flow calculations for this reporting unit

involved a high degree of auditor judgment and an increased effort, which included the involvement of our fair value specialists, as it related to evaluating management's assumptions and estimates related to future growth rates, margin projections, timing of future cash flows, the discount rate and the determination of market multiples.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the assumptions and estimates of future growth rates, margin projections, timing of future cash flows, the discount rate and the determination of market multiples used by management to estimate the fair value of the FSS US reporting unit included the following, among others:

- We tested the effectiveness of internal controls over management's goodwill impairment evaluation, including those over the determination of the fair value of the FSS US reporting unit, including controls related to management's assumptions and estimates of future growth rates, margin projections, timing of future cash flows, the discount rate and the determination of market multiples.
- We evaluated management's ability to accurately forecast future FSS US reporting unit growth rates, margin projections and timing of future cash flows by comparing actual results to management's historical forecasts.
- We evaluated the reasonableness of management's FSS US reporting unit growth rates, margin projections and timing of future cash flows by comparing the forecasts to:
 - Historical results.
 - Internal communications to management and the Board of Directors.
 - Forecasted information included in analyst and industry reports for the Company and certain of its peer companies.
- With the assistance of our fair value specialists, we evaluated (1) the valuation methodology used and (2) the projections of future growth rates, the discount rate and the determination of market multiples by testing the underlying source information, and for certain assumptions by developing a range of independent estimates and comparing those to the rate selected by management.

/s/ Deloitte & Touche LLP

Philadelphia, PA

November 21, 2023

We have served as the Company's auditor since 2021.

ARAMARK AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 29, 2023 AND SEPTEMBER 30, 2022
(in thousands, except share amounts)

	September 29, 2023	September 30, 2022
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 1,963,139	\$ 329,452
Receivables (less allowances: \$56,572 and \$56,388)	2,363,698	2,147,957
Inventories	578,427	552,386
Prepayments and other current assets	314,763	262,195
Total current assets	<u>5,220,027</u>	<u>3,291,990</u>
Property and Equipment, at cost:		
Land, buildings and improvements	1,086,683	1,035,359
Service equipment and fixtures	4,686,327	4,481,711
	<u>5,773,010</u>	<u>5,517,070</u>
Less - Accumulated depreciation	(3,682,507)	(3,485,025)
	<u>2,090,503</u>	<u>2,032,045</u>
Goodwill	5,579,529	5,515,124
Other Intangible Assets	2,043,082	2,113,726
Operating Lease Right-of-use Assets	630,158	592,145
Other Assets	1,307,942	1,537,406
	<u>\$ 16,871,241</u>	<u>\$ 15,082,436</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Current maturities of long-term borrowings	\$ 1,596,942	\$ 65,047
Current operating lease liabilities	71,206	68,858
Accounts payable	1,406,356	1,322,936
Accrued payroll and related expenses	593,597	656,974
Accrued expenses and other current liabilities	1,361,866	1,172,071
Total current liabilities	<u>5,029,967</u>	<u>3,285,886</u>
Long-Term Borrowings	6,666,572	7,345,860
Noncurrent Operating Lease Liabilities	291,955	305,623
Deferred Income Taxes and Other Noncurrent Liabilities	1,161,805	1,106,587
Commitments and Contingencies (see Note 14)		
Redeemable Noncontrolling Interests	8,224	8,840
Stockholders' Equity:		
Common stock, par value \$0.01 (authorized: 600,000,000 shares; issued: 301,069,012 shares and 297,555,924 shares; and outstanding: 261,450,373 shares and 258,728,942 shares)	3,011	2,976
Capital surplus	3,825,620	3,681,966
Retained earnings	964,158	406,784
Accumulated other comprehensive loss	(98,237)	(111,571)
Treasury stock (shares held in treasury: 39,618,639 shares and 38,826,982 shares)	(981,834)	(950,515)
Total stockholders' equity	<u>3,712,718</u>	<u>3,029,640</u>
	<u>\$ 16,871,241</u>	<u>\$ 15,082,436</u>

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

ARAMARK AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME (LOSS)
FOR THE FISCAL YEARS ENDED SEPTEMBER 29, 2023, SEPTEMBER 30, 2022 AND OCTOBER 1, 2021
(in thousands, except per share data)

	Fiscal Year Ended		
	September 29, 2023	September 30, 2022	October 1, 2021
Revenue	\$ 18,853,857	\$ 16,326,624	\$ 12,095,965
Costs and Expenses:			
Cost of services provided (exclusive of depreciation and amortization)	17,037,797	14,767,570	11,007,080
Depreciation and amortization	546,362	532,327	550,692
Selling and general corporate expenses	406,772	398,362	346,749
	<u>17,990,931</u>	<u>15,698,259</u>	<u>11,904,521</u>
Operating income	862,926	628,365	191,444
Gain on Equity Investments, net (see Note 1)	(427,803)	—	(137,934)
Loss on Defined Benefit Pension Plan Termination	—	—	60,864
Interest and Other Financing Costs, net	439,585	372,727	401,366
Income (Loss) Before Income Taxes	851,144	255,638	(132,852)
Provision (Benefit) for Income Taxes	177,614	61,461	(40,633)
Net income (loss)	673,530	194,177	(92,219)
Less: Net loss attributable to noncontrolling interests	(578)	(307)	(1,386)
Net income (loss) attributable to Aramark stockholders	<u>\$ 674,108</u>	<u>\$ 194,484</u>	<u>\$ (90,833)</u>
Earnings (Loss) per share attributable to Aramark stockholders:			
Basic	\$ 2.59	\$ 0.76	\$ (0.36)
Diluted	\$ 2.57	\$ 0.75	\$ (0.36)
Weighted Average Shares Outstanding:			
Basic	260,592	257,314	254,748
Diluted	262,594	259,074	254,748

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

ARAMARK AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FISCAL YEARS ENDED SEPTEMBER 29, 2023, SEPTEMBER 30, 2022 AND OCTOBER 1, 2021
(in thousands)

	Fiscal Year Ended		
	September 29, 2023	September 30, 2022	October 1, 2021
Net income (loss)	\$ 673,530	\$ 194,177	\$ (92,219)
Other comprehensive income, net of tax:			
Pension plan adjustments	(7,031)	17,113	48,568
Foreign currency translation adjustments	20,273	(86,376)	8,925
Cash flow hedges:			
Unrealized gains arising during the period	38,140	143,276	909
Reclassification adjustments	(43,746)	20,698	37,440
Share of equity investee's comprehensive income	5,698	1,729	3,405
Other comprehensive income, net of tax	13,334	96,440	99,247
Comprehensive income	686,864	290,617	7,028
Less: Net loss attributable to noncontrolling interests	(578)	(307)	(1,386)
Comprehensive income attributable to Aramark stockholders	<u>\$ 687,442</u>	<u>\$ 290,924</u>	<u>\$ 8,414</u>

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

ARAMARK AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED SEPTEMBER 29, 2023, SEPTEMBER 30, 2022 AND OCTOBER 1, 2021
(in thousands)

	Fiscal Year Ended		
	September 29, 2023	September 30, 2022	October 1, 2021
Cash flows from operating activities:			
Net income (loss)	\$ 673,530	\$ 194,177	\$ (92,219)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	546,362	532,327	550,692
Asset write-downs	37,563	—	—
Reduction of contingent consideration liability (see Note 16)	(97,336)	(20,749)	—
Gain on equity investments, net (see Note 1)	(427,803)	—	(137,934)
Loss on defined benefit pension plan termination	—	—	60,864
Deferred income taxes	114,545	35,422	(43,234)
Share-based compensation expense	86,938	95,487	71,053
Changes in operating assets and liabilities:			
Accounts Receivable	(201,485)	(462,685)	(290,214)
Inventories	(37,858)	(71,500)	(7,536)
Prepayments and Other Current Assets	(8,302)	(3,783)	101,939
Accounts Payable	92,632	421,763	252,158
Accrued Expenses	82,399	7,536	261,154
Payments made to clients on contracts	(119,217)	(56,865)	(100,918)
Changes in other noncurrent liabilities	13,941	14,914	(17,427)
Changes in other assets	27,915	(6,878)	4,177
Other operating activities	(17,395)	15,333	44,524
Net cash provided by operating activities	<u>766,429</u>	<u>694,499</u>	<u>657,079</u>
Cash flows from investing activities:			
Purchases of property and equipment and other	(461,406)	(388,397)	(407,818)
Disposals of property and equipment	29,240	23,642	32,474
Purchases of marketable securities	(109,998)	(78,220)	—
Proceeds from marketable securities	80,000	—	—
Acquisition of certain businesses, net of cash acquired	(50,194)	(340,022)	(265,766)
Acquisition of certain equity investments	(4,000)	(64,000)	—
Proceeds from sale of equity investments	685,048	—	—
Other investing activities	40,222	15,710	6,724
Net cash provided by (used in) investing activities	<u>208,912</u>	<u>(831,287)</u>	<u>(634,386)</u>
Cash flows from financing activities:			
Proceeds from long-term borrowings	2,786,526	100,051	893,993
Payments of long-term borrowings	(1,929,846)	(152,338)	(2,453,571)
Net change in funding under the Receivables Facility	(104,935)	104,935	(315,600)
Payments of dividends	(114,614)	(113,120)	(112,010)
Proceeds from issuance of common stock	46,974	49,322	41,587
Other financing activities	(30,456)	(26,544)	(59,738)
Net cash provided by (used in) financing activities	<u>653,649</u>	<u>(37,694)</u>	<u>(2,005,339)</u>
Effect of foreign exchange rates on cash and cash equivalents	4,697	(28,657)	6,049
Increase (decrease) in cash and cash equivalents	1,633,687	(203,139)	(1,976,597)
Cash and cash equivalents, beginning of period	329,452	532,591	2,509,188
Cash and cash equivalents, end of period	<u>\$ 1,963,139</u>	<u>\$ 329,452</u>	<u>\$ 532,591</u>

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

ARAMARK AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE FISCAL YEARS ENDED SEPTEMBER 29, 2023, SEPTEMBER 30, 2022 AND OCTOBER 1, 2021
(in thousands)

	Total Stockholders' Equity	Common Stock	Capital Surplus	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock
Balance, October 2, 2020	\$ 2,735,988	\$ 2,907	\$ 3,416,132	\$ 532,379	\$ (307,258)	\$ (908,172)
Net loss attributable to Aramark stockholders	(90,833)			(90,833)		
Other comprehensive income	99,247				99,247	
Capital contributions from issuance of common stock	45,905	36	45,869			
Share-based compensation expense	71,053		71,053			
Repurchases of common stock	(24,499)					(24,499)
Payments of dividends (\$0.44 per share)	(113,989)			(113,989)		
Balance, October 1, 2021	\$ 2,722,872	\$ 2,943	\$ 3,533,054	\$ 327,557	\$ (208,011)	\$ (932,671)
Net income attributable to Aramark stockholders	194,484			194,484		
Other comprehensive income	96,440				96,440	
Capital contributions from issuance of common stock	53,458	33	53,425			
Share-based compensation expense	95,487		95,487			
Repurchases of common stock	(17,844)					(17,844)
Payments of dividends (\$0.44 per share)	(115,257)			(115,257)		
Balance, September 30, 2022	\$ 3,029,640	\$ 2,976	\$ 3,681,966	\$ 406,784	\$ (111,571)	\$ (950,515)
Net income attributable to Aramark stockholders	674,108			674,108		
Other comprehensive income	13,334				13,334	
Capital contributions from issuance of common stock	56,751	35	56,716			
Share-based compensation expense	86,938		86,938			
Repurchases of common stock	(31,319)					(31,319)
Payments of dividends (\$0.44 per share)	(116,734)			(116,734)		
Balance, September 29, 2023	\$ 3,712,718	\$ 3,011	\$ 3,825,620	\$ 964,158	\$ (98,237)	\$ (981,834)

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

ARAMARK AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Aramark (the "Company") is a leading global provider of food and facilities 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 14-country footprint. The Company also provides services on a more limited basis in several additional countries and in offshore locations. The Company operated its business in three reportable segments that share many of the same operating characteristics:

- Food and Support Services United States ("FSS United States") - Food, refreshment, specialized dietary and support services, including facility maintenance and housekeeping, provided to business, educational and healthcare institutions and in sports, leisure and other facilities.
- Food and Support Services International ("FSS International") - Food, refreshment, specialized dietary and support services, including facility maintenance and housekeeping, provided to business, educational and healthcare institutions and in sports, leisure and other facilities.
- Uniform and Career Apparel ("Uniform") - Provided a full-service employee uniform solution, resulting in a contracted and recurring revenue model. The customer base was serviced by a leading geographic footprint in the United States and Canada with programs focused on uniforms, floor mats, towels, linens, restroom supplies, first-aid supplies, safety products and other workplace supplies. Customers operated in the United States and Canada in a wide range of industries, including manufacturing, hospitality, retail, food processing, pharmaceuticals, healthcare and automotive.

The consolidated financial statements include the accounts of the Company and all of its subsidiaries in which a controlling financial interest is maintained in accordance with generally accepted accounting principles in the United States ("U.S. GAAP"). All significant intercompany transactions and accounts have been eliminated.

Subsequent to the end of fiscal 2023, the Company completed the previously announced separation of its Uniform segment into an independent publicly traded company, Vestis Corporation ("Vestis"), on September 30, 2023. The separation was structured as a tax free spin-off, which occurred by way of a pro rata distribution to Aramark stockholders. Each of the Aramark stockholders received one share of Vestis common stock for every two shares of Aramark common stock held of record as of the close of business on September 20, 2023. Vestis is now an independent public company under the symbol "VSTS" on the New York Stock Exchange. With the completion of the separation and distribution, the historical results of the Uniform segment will be presented as discontinued operations in the Company's consolidated financial statements beginning in the first quarter of fiscal 2024. Refer to Note 15 for Uniform reportable segment financial disclosures.

During fiscal 2023 and fiscal 2022, the Company incurred charges of \$51.1 million and \$9.3 million, respectively, related to the Company's separation and distribution of its Uniform segment, including salaries and benefits, recruiting and relocation costs, accounting and legal related expenses, branding and other costs. Subsequent to September, 29, 2023, the Company incurred approximately \$20.0 million of banker fees related to the separation and distribution of its Uniform segment.

Fiscal Year

The Company's fiscal year is the fifty-two or fifty-three week period which ends on the Friday nearest September 30th. The fiscal years ended September 29, 2023, September 30, 2022 and October 1, 2021 were each fifty-two week periods.

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 the London Interbank Offer Rate ("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. During the third quarter of fiscal 2023, the Company applied the optional expedient related to assessment of effectiveness, whereas the Company elected to continue the method of assessing

ARAMARK AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

effectiveness as documented in the original hedge documentation and elected to apply the optional expedient so that the reference rate on the hypothetical derivative matches the reference rate on the hedging instrument. 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 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 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 adoption of this guidance is not expected to have a material impact on the consolidated financial statements.

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 adoption of this guidance is not expected to have a material impact on the consolidated financial statements.

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

Revenue Recognition

The Company recognizes revenue when its performance obligation is satisfied upon the transfer of control of the promised product or service to customers in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods and services. In each of the Company's operating segments, revenue is recognized over time in the period in which services are provided pursuant to the terms of the Company's contractual relationships with its clients. The Company generally records revenue on Food and Support Services contracts (both profit and loss contracts and client interest contracts) on a gross basis as the Company is the primary obligor and service provider. See Note 7 for additional information on revenue recognition.

Certain profit and loss contracts include payments to the client, typically calculated as a fixed or variable percentage of various categories of revenue and income. In some cases these contracts require minimum guaranteed payments that are contingent on certain future events. These expenses are currently recorded in "Cost of services provided (exclusive of depreciation and amortization)."

Revenue from client interest contracts is generally comprised of amounts billed to clients for food, labor and other costs that the Company incurs, controls and pays for. Revenue from these contracts also includes any associated management fees, client subsidies or incentive fees based upon the Company's performance under the contract. Revenue from direct marketing activities is recognized at a point in time upon shipment. All revenue related taxes are presented on a net basis.

The timing of revenue recognition may differ from the timing of invoicing to customers. The Company records an accounts receivable balance when revenue is recognized prior to or at the time of invoicing the customer. The majority of the Company's receivables balances are based on contracts with customers.

The Company estimates and reserves for its credit loss exposure based on historical experience, current conditions and reasonable and supportable forecasts that affect the collectability of the reported amount in estimating credit losses. Credit loss expense is classified within "Cost of services provided (exclusive of depreciation and amortization)."

Vendor Consideration

Consideration received from vendors includes rebates, allowances and volume discounts and are accounted for as an adjustment to the cost of the vendors' products or services and are reported as a reduction of "Cost of services provided (exclusive of depreciation and amortization)," "Inventory," or "Property and equipment, net." Income from rebates, allowances and volume discounts is recognized based on actual purchases in the fiscal period relative to total actual purchases to be made for the contractual rebate period agreed to with the vendor. Rebates, allowances and volume discounts related to "Inventory" held at the balance sheet date are deducted from the carrying value of these inventories. Rebates, allowances and volume discounts related to "Property and equipment, net" are deducted from the costs capitalized.

ARAMARK AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could materially differ from those estimates.

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 (loss), changes in foreign currency translation adjustments (net of tax), pension plan 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 income (net of tax).

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

	Fiscal Year Ended								
	September 29, 2023			September 30, 2022			October 1, 2021		
	Pre-Tax Amount	Tax Effect	After-Tax Amount	Pre-Tax Amount	Tax Effect	After-Tax Amount	Pre-Tax Amount	Tax Effect	After-Tax Amount
Net income (loss)			\$ 673,530			\$ 194,177			\$ (92,219)
Pension plan adjustments	(7,960)	929	(7,031)	26,184	(9,071)	17,113	63,959	(15,391)	48,568
Foreign currency translation adjustments	28,136	(7,863)	20,273	(96,783)	10,407	(86,376)	7,383	1,542	8,925
Cash flow hedges:									
Unrealized gains arising during the period	51,541	(13,401)	38,140	193,616	(50,340)	143,276	1,228	(319)	909
Reclassification adjustments	(59,117)	15,371	(43,746)	27,970	(7,272)	20,698	50,595	(13,155)	37,440
Share of equity investee's comprehensive income	10,616	(4,918)	5,698	1,729	—	1,729	3,405	—	3,405
Other comprehensive income	23,216	(9,882)	13,334	152,716	(56,276)	96,440	126,570	(27,323)	99,247
Comprehensive income			686,864			290,617			7,028
Less: Net loss attributable to noncontrolling interests			(578)			(307)			(1,386)
Comprehensive income attributable to Aramark stockholders			<u>\$ 687,442</u>			<u>\$ 290,924</u>			<u>\$ 8,414</u>

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

	September 29, 2023	September 30, 2022
Pension plan adjustments	\$ (14,241)	\$ (7,210)
Foreign currency translation adjustments	(193,115)	(213,388)
Cash flow hedges	109,119	114,725
Share of equity investee's accumulated other comprehensive loss	—	(5,698)
	<u>\$ (98,237)</u>	<u>\$ (111,571)</u>

Currency Translation

Gains and losses resulting from the translation of financial statements of non-United States subsidiaries are reflected as a component of accumulated other comprehensive loss in stockholders' equity. 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 the remeasurements was a foreign currency transaction loss of \$10.4 million, \$3.5 million and \$1.8 million during fiscal 2023, fiscal 2022 and fiscal 2021, respectively, to the Consolidated Statements of Income (Loss). The impact of foreign currency transaction gains and

ARAMARK AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

losses exclusive of Argentina's operations included in the Company's operating results for fiscal 2023, fiscal 2022 and fiscal 2021 were immaterial to the consolidated financial statements.

Current Assets

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

The Company insures portions of its risk related to general liability, automobile liability, workers' compensation liability claims as well as certain property damage risks through a wholly owned captive insurance subsidiary (the "Captive") as part of its approach to risk finance. 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 September 29, 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, certain property damage and related Captive costs. As of September 29, 2023 and September 30, 2022, cash and cash equivalents at the Captive were \$32.8 million and \$23.1 million, respectively. During fiscal 2022, the Captive began investing a portion of its cash and cash equivalents in United States Treasury securities to improve returns on the Captive's assets. The amount of this investment as of September 29, 2023 and September 30, 2022 was \$110.7 million and \$78.2 million, respectively, and recorded in "Prepayments and other current assets" on the Consolidated Balance Sheets.

Inventories are valued at the lower of cost (principally the first-in, first-out method) or net realizable value. As of September 29, 2023 and September 30, 2022, the Company's reserve for inventory was \$21.0 million and \$51.3 million, respectively. The decrease in the Company's reserve was primarily due to the write-off and disposal of personal protective equipment inventory. The inventory reserve is determined based on history and projected customer consumption and specific identification. During the fourth quarter of fiscal 2022, the Company decided to no longer sell personal protective equipment, which required inventory write-downs to zero net realizable value. The Company recorded \$19.6 million and \$25.4 million in inventory write-down charges to the Consolidated Statements of Income (Loss) during fiscal 2022 and fiscal 2021, respectively, to reflect the net realizable value of PPE inventory within the Uniform segment.

The components of inventories are as follows:

	September 29, 2023	September 30, 2022
Food	66.9 %	64.0 %
Career apparel and linens	28.6 %	31.7 %
Parts, supplies and novelties	4.5 %	4.3 %
	<u>100.0 %</u>	<u>100.0 %</u>

Prepayments and other current assets

The following table presents details of "Prepayments and other current assets" as presented in the Consolidated Balance Sheets (in thousands):

	September 29, 2023	September 30, 2022
Prepaid Insurance	\$ 21,573	\$ 15,192
Prepaid Taxes and Licenses	13,575	11,087
Current Income Tax Asset	10,198	10,842
Marketable Securities ⁽¹⁾	110,714	78,204
Other Prepaid Expenses	158,703	146,870
	<u>\$ 314,763</u>	<u>\$ 262,195</u>

(1) Marketable securities represent held-to-maturity debt securities with original maturities greater than three months, which are maturing within one year.

Property and Equipment

Property and equipment are stated at cost and are depreciated over their estimated useful lives on a straight-line basis. Gains and losses on dispositions are included in operating results. Maintenance and repairs are charged to current operations and replacements and significant improvements that extend the useful life of the asset are capitalized. The estimated useful lives for the major categories of property and equipment are generally 10 years to 40 years for buildings and improvements and three

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

years to 20 years for service equipment and fixtures. Depreciation expense during fiscal 2023, fiscal 2022 and fiscal 2021 was \$371.7 million, \$367.1 million and \$378.3 million, respectively.

During the first half 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, during fiscal 2023, the Company recorded an impairment charge of \$26.7 million within its FSS United States and Uniform segments, which is included in "Cost of services provided (exclusive of depreciation and amortization)" on the Consolidated Statements of Income (Loss). During fiscal 2023, the non-cash impairment charges within the FSS United States segment consisted of operating lease right-of-use assets of \$8.6 million and property and equipment of \$10.4 million. During fiscal 2023, the non-cash impairment charges within the Uniform segment consisted of operating lease right-of-use assets of \$7.1 million and other costs of \$0.6 million.

Other Assets

The following table presents details of "Other Assets" as presented in the Consolidated Balance Sheets (in thousands):

	September 29, 2023	September 30, 2022
Cost to fulfill - Client ⁽¹⁾	\$ 92,458	\$ 97,830
Cost to fulfill - Rental merchandise in-service ⁽²⁾	366,677	359,657
Long-term receivables	24,403	26,412
Miscellaneous investments ⁽³⁾	184,955	405,463
Computer software costs, net ⁽⁴⁾	202,665	199,521
Interest rate swap agreements ⁽⁵⁾	147,458	149,755
Employee sales commissions ⁽⁶⁾	138,400	131,443
Other ⁽⁷⁾	150,926	167,325
	<u>\$ 1,307,942</u>	<u>\$ 1,537,406</u>

- (1) Cost to fulfill - Client represent payments made by the Company to enhance the service resources used by the Company to satisfy its performance obligation (see Note 7).
- (2) Costs to fulfill - Rental merchandise in-service represent personalized work apparel, linens and other rental items in service at customer locations (see Note 7).
- (3) Miscellaneous investments represent investments in 50% or less owned entities.
- (4) Computer software costs represent capitalized costs incurred to purchase or develop software for internal use and are amortized over the estimated useful life of the software, generally a period of three to 10 years. During fiscal 2023, the Company recorded a computer software impairment charge of \$8.2 million within its FSS United States segment, which is included in "Cost of services provided (exclusive of depreciation and amortization)" on the Consolidated Statements of Income (Loss).
- (5) Interest rate swaps represent receivable under cash flow hedging agreements based on current forward interest rates (see Note 6).
- (6) Employee sales commissions represent commission payments made to employees related to new or retained business contracts (see Note 7).
- (7) Other consists primarily of noncurrent deferred tax assets, pension assets, deferred financing costs on certain revolving credit facilities and other noncurrent assets.

For investments in 50% or less owned entities accounted for under the equity method of accounting, the carrying amount as of September 29, 2023 and September 30, 2022 was \$99.3 million and \$224.5 million, respectively. 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 \$535.0 million in cash in a taxable transaction resulting in a pre-tax gain on sale of this equity investment of \$377.1 million (\$278.7 million net of tax) during fiscal 2023. The pre-tax gain is included in "Gain on Equity Investments, net" on the Consolidated Statements of Income (Loss).

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 September 29, 2023 and September 30, 2022 was \$85.1 million and \$180.5 million, respectively. On May 16, 2023, the Company sold a portion of its equity investment ownership interest in the San Antonio Spurs NBA franchise for \$98.2 million in cash in a taxable transaction resulting in a pre-tax loss on sale of this equity investment of \$1.1 million (\$2.2 million net of tax) during fiscal 2023. The pre-tax loss is included in "Gain on Equity Investments, net" on the Consolidated Statements of Income (Loss). On September 22, 2023, the Company sold its ownership interest in an equity investment in a foreign company for \$51.9 million in cash in a taxable transaction resulting in a pre-tax gain on sale of this equity investment of \$51.8 million (\$51.8 million net of tax) during fiscal 2023. The pre-tax gain is included in "Gain on Equity Investments, net" on the Consolidated Statements of Income (Loss). During fiscal 2021, the Company identified an observable price change related to its equity investment without a readily determinable fair value related to the San Antonio Spurs NBA franchise and recognized a

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non-cash gain of \$137.9 million included in "Gain on Equity Investments, net" on the Consolidated Statements of Income (Loss).

Other Accrued Expenses and Liabilities

The following table presents details of "Accrued expenses and other current liabilities" in the Consolidated Balance Sheets (in thousands):

	<u>September 29, 2023</u>	<u>September 30, 2022</u>
Deferred income ⁽¹⁾	\$ 360,936	\$ 346,954
Accrued client expenses	212,303	172,894
Accrued taxes	91,971	58,988
Accrued insurance ⁽²⁾ and interest	194,830	184,676
Other	501,826	408,559
	<u>\$ 1,361,866</u>	<u>\$ 1,172,071</u>

- (1) Includes consideration received in advance from customers prior to the service being performed (\$340.6 million and \$324.5 million) or from vendors prior to the goods being consumed (\$20.3 million and \$22.4 million) in fiscal 2023 and fiscal 2022, respectively.
- (2) The Company is self-insured for certain obligations related to its employee health care benefit programs as well as for certain risks retained under its general liability, automobile liability, workers' compensation liability and certain property damage programs. Reserves are estimated through actuarial methods, with the assistance of third-party actuaries using loss development assumptions based on the Company's claims history.

Deferred Income Taxes and Other Noncurrent Liabilities

The following table presents details of "Deferred Income Taxes and Other Noncurrent Liabilities" as presented in the Consolidated Balance Sheets (in thousands):

	<u>September 29, 2023</u>	<u>September 30, 2022</u>
Deferred income taxes (see Note 10)	\$ 610,470	\$ 501,404
Deferred compensation	211,892	211,703
Pension-related liabilities	11,205	11,775
Insurance reserves ⁽¹⁾	147,641	141,104
Other noncurrent liabilities ⁽²⁾	180,597	240,601
	<u>\$ 1,161,805</u>	<u>\$ 1,106,587</u>

- (1) The Company is self-insured for certain obligations for certain risks retained under its general liability, automobile liability, workers' compensation liability and certain property damage programs. Reserves are estimated through actuarial methods, with the assistance of third-party actuaries using loss development assumptions based on the Company's claims history.
- (2) Fiscal 2022 includes the contingent consideration liabilities related to the Union Supply Group, Inc. acquisition (\$45.8 million) and Next Level acquisition (\$48.4 million) (see Note 16).

Impact of COVID-19

COVID-19 adversely affected global economies, disrupted global supply chains and labor force participation and created significant volatility and disruption of financial markets. COVID-19 related disruptions negatively impacted the Company's financial and operating results through the first half of fiscal 2021. The Company's financial results started to improve during the second half of fiscal 2021 and continued to improve throughout fiscal 2022 as COVID-19 restrictions were lifted and operations re-opened.

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% due December 31, 2022. Deferred social security taxes of \$64.2 million were paid in fiscal 2022 and remaining social security taxes of \$64.2 million were paid in fiscal 2023.

The CARES Act provided an employee retention credit, which is a refundable tax credit against certain employment taxes. During the fiscal year ended October 1, 2021, the Company recorded \$15.1 million related to the employee retention credit in "Cost of services provided (exclusive of depreciation and amortization)" on the Company's Consolidated Statements of Income (Loss). As of September 29, 2023, the Company has a \$20.4 million receivable balance from the United States government related to the CARES Act, which is recorded in "Receivables" on the Company's Consolidated Balance Sheet.

Within the FSS International and Uniform segments, many foreign jurisdictions in which the Company operates provided companies various forms of relief from COVID-19, including labor related tax credits. These labor related tax credits generally

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allowed companies to receive credits if they retained employees on their payroll, rather than furloughing or terminating employees as a result of the business disruption caused by COVID-19. The Company qualified for these tax credits. The Company recorded \$37.0 million and \$155.3 million of labor related tax credits within "Cost of services provided (exclusive of depreciation and amortization)" on the Consolidated Statements of Income (Loss) during the fiscal years ended September 30, 2022 and October 1, 2021, respectively, of which \$0.4 million and \$17.9 million, respectively, were recorded in the Uniform segment with the remaining balances recorded in the FSS International segment.

The Company accounted for these labor related tax credits as a reduction to the expense that they were intended to compensate in the period in which the corresponding expense was incurred and there was reasonable assurance the Company would both receive the tax credits and comply with all conditions attached to the tax credits.

Supplemental Cash Flow Information

(in millions)	Fiscal Year Ended		
	September 29, 2023	September 30, 2022	October 1, 2021
Interest paid	\$ 410.5	\$ 333.3	\$ 369.7
Income taxes paid (refunded)	47.0	16.2	(104.9)

Significant non-cash activities are as follows:

- During fiscal 2023, fiscal 2022 and fiscal 2021, the Company executed finance lease transactions. The present value of the future rental obligations was \$47.5 million, \$35.8 million and \$36.0 million for the respective periods, which is included in "Property and Equipment, at cost" and "Long-Term Borrowings" on the Consolidated Balance Sheets.
- During fiscal 2023, fiscal 2022 and fiscal 2021, cashless settlements of the exercise price and related employee minimum tax withholding liabilities of share-based payment awards were \$31.3 million, \$17.8 million and \$24.5 million, respectively.

NOTE 2. ACQUISITIONS:

Union Supply Group, Inc.

On June 2, 2022, the Company completed the acquisition of Union Supply Group, Inc. ("Union Supply"), a commissary goods and services supplier, pursuant to the Stock Purchase Agreement ("Union Supply Purchase Agreement") dated as of April 8, 2022, by and among Aramark Correctional Services, LLC, a wholly owned subsidiary of the Company, and Tom Thomas, in his capacity as the sellers' representative. Upon completion of the acquisition, Union Supply became a wholly owned subsidiary of the Company and its results are included in the Company's FSS United States segment. The cash consideration paid for Union Supply was \$199.6 million. The Union Supply Purchase Agreement provided for contingent consideration, which the Company may be required to pay if Union Supply achieves certain adjusted EBITDA levels during calendar year 2023. A contingent consideration liability of \$40.2 million was recorded as part of the acquisition with a separate amount that will be accounted for as compensation expense to be recognized in earnings over the earnout period (see Note 16). The acquisition was financed utilizing funds from the Company's Receivables Facility.

Consideration

The Company accounted for the Union Supply acquisition as a business combination under the acquisition method of accounting. The Company finalized its allocation of the purchase price for the transaction based upon the fair value of net assets acquired and liabilities assumed at the date of acquisition.

Recognition and Measurement of Assets Acquired and Liabilities Assumed at Fair Value

The following table summarize the assets and liabilities assigned as of the acquisition date (in thousands):

Current assets	\$ 102,925
Noncurrent assets	208,181
Total assets	<u>\$ 311,106</u>
Current liabilities	\$ 24,308
Noncurrent liabilities	87,171
Total liabilities	<u>\$ 111,479</u>

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Intangible Assets

The following table identifies the Company's allocation of purchase price to the intangible assets acquired by category:

	Estimated Fair Value (in millions)	Weighted-Average Estimated Useful Life (in years)
Customer relationship assets	\$ 82.3	15
Trade name	43.0	15
Total intangible assets	\$ 125.3	

The fair value of the customer relationship assets was determined using the "multi-period excess earnings method" which considers the present value of net cash flows expected to be generated by the customer relationships, excluding any cash flows related to contributory assets. The fair value of the trade name acquired was determined using the "relief-from-royalty method" which considers the discounted estimated royalty payments that are expected to be avoided as a result of the trademarks being owned.

Goodwill

The Company recorded \$56.9 million of goodwill in connection with its purchase price allocation relating to the Union Supply acquisition, all of which was recognized in the FSS United States segment. Goodwill is calculated as the excess of consideration transferred over the net assets recognized and represents future economic benefits arising from other assets acquired that could not be individually identified and separately recognized, such as assembled workforce. Factors that contributed to the Company's recognition of goodwill include the Company's intent to complement its existing corrections business and expand its customer base. None of the goodwill recognized is expected to be deductible for income tax purposes.

Next Level Hospitality

On June 4, 2021, the Company completed the acquisition of Next Level Hospitality ("Next Level"), a premier provider of culinary and environmental services in the senior living industry, specializing in skilled nursing and rehabilitation facilities, pursuant to the Unit Purchase Agreement ("Next Level Purchase Agreement") dated as of April 28, 2021, by and among Aramark Healthcare Support Services, LLC, a wholly owned subsidiary of the Company, Aramark Services, Inc. ("ASI"), a wholly owned subsidiary of the Company, Next Level Hospitality Services, LLC, Next Level Stockholders and Seth Gribetz, in his capacity as Stockholder Representative. Next Level is a wholly owned subsidiary of the Company and its results are included in the Company's FSS United States segment. The cash consideration paid for Next Level was \$226.1 million. In addition, contingent consideration of \$78.4 million was recorded as part of the acquisition (see Note 16). The acquisition was financed utilizing cash and cash equivalents on hand.

Consideration

The Company accounted for the Next Level acquisition as a business combination under the acquisition method of accounting. The Company finalized its allocation of the purchase price for the transaction based upon the fair value of net assets acquired and liabilities assumed at the date of acquisition.

Recognition and Measurement of Assets Acquired and Liabilities Assumed at Fair Value

The following tables summarize the assets and liabilities assigned as of the acquisition date (in thousands):

Current assets	\$ 18,088
Noncurrent assets	307,291
Total assets	<u>\$ 325,379</u>
Current liabilities	\$ 50,956
Noncurrent liabilities	48,323
Total liabilities	<u>\$ 99,279</u>

Intangible Assets

The following table identifies the Company's allocation of purchase price to the intangible assets acquired by category:

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	Estimated Fair Value (in millions)	Weighted-Average Estimated Useful Life (in years)
Customer relationship assets	\$ 133.0	15
Trade name	49.5	15
Total intangible assets	\$ 182.5	

The fair value of the customer relationship assets was determined using the “multi-period excess earnings method” which considers the present value of net cash flows expected to be generated by the customer relationships, excluding any cash flows related to contributory assets. The fair value of the trade name acquired was determined using the “relief-from-royalty method” which considers the discounted estimated royalty payments that are expected to be avoided as a result of the trademarks being owned.

Goodwill

The Company recorded \$123.6 million of goodwill in connection with its purchase price allocation relating to the Next Level acquisition, all of which was recognized in the FSS United States reporting segment. Goodwill is calculated as the excess of consideration transferred over the net assets recognized and represents future economic benefits arising from other assets acquired that could not be individually identified and separately recognized, such as assembled workforce. Factors that contributed to the Company's recognition of goodwill include the Company's intent to complement its existing healthcare business and expand its customer base. Goodwill related to the Next Level acquisition is deductible for income tax purposes.

Other Acquisitions

During fiscal 2023, fiscal 2022 and fiscal 2021, the Company paid net cash consideration of \$50.2 million, \$140.4 million and \$39.7 million, respectively, for various acquisitions, excluding the purchase of Union Supply and Next Level. The revenue, net income, assets and liabilities of the acquisitions did not have a material impact on the Company's consolidated financial statements.

Merger and Integration Costs

During fiscal 2021, the Company incurred merger and integration costs of \$22.2 million, as a result of the AmeriPride acquisition that occurred during fiscal year 2018. The expenses mainly related to costs for transitional employees and integration related consulting costs and charges related to plant consolidations, mainly asset write-downs, the implementation of a new route accounting system and other expenses.

NOTE 3. SEVERANCE:

During 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 \$41.7 million were recorded in "Cost of services provided (exclusive of depreciation and amortization)" on the Consolidated Statements of Income (Loss) for the fiscal year ended September 29, 2023.

The following table summarizes the severance charges by segment related to the fiscal 2023 actions recognized in the Consolidated Statements of Income (Loss) for the fiscal year ended September 29, 2023 (in millions):

FSS United States	\$ 3.3
FSS International	31.2
Uniform	6.6
Corporate	0.6
	<u>\$ 41.7</u>

During fiscal 2022, the Company made changes to its organization to streamline and improve the efficiency and effectiveness of its operations and overhead functions within the FSS United States and FSS International segments. These actions included headcount reductions, which resulted in severance charges of \$19.6 million during the fiscal year ended September 30, 2022, which were recorded in “Cost of services provided (exclusive of depreciation and amortization)” on the Consolidated Statements of Income (Loss).

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table summarizes the severance charges by segment related to the fiscal 2022 actions recognized in the Consolidated Statements of Income (Loss) for the fiscal year ended September 30, 2022 (in millions):

FSS United States	\$	7.7
FSS International		11.9
	<u>\$</u>	<u>19.6</u>

During fiscal 2021, the Uniform segment approved action plans to streamline and improve the efficiency and effectiveness of the segment's general and administrative functions. Part of this action plan also included a series of facility consolidations and closures. As a result of these actions, severance charges of \$9.0 million were recorded within "Cost of services provided (exclusive of depreciation and amortization)" on the Consolidated Statements of Income (Loss) for the fiscal year ended October 1, 2021. As of September 29, 2023, there are no unpaid obligations related to this severance program.

During fiscal 2020, the Company made changes to its organization as a result of COVID-19. The Company reversed \$16.3 million of unpaid obligations related to this severance obligation during fiscal 2021, which were recorded in both "Cost of services provided (exclusive of depreciation and amortization)" and "Selling and general corporate expenses" on the Consolidated Statements of Income (Loss). As of September 29, 2023, there are no unpaid obligations related to this severance program.

The following table summarizes the unpaid obligations for severance and related costs as of September 29, 2023, which are included in "Accrued payroll and related expenses" on the Consolidated Balance Sheets (in millions):

	<u>September 30, 2022</u>	<u>Charges (Reversals)</u>	<u>Payments and Other</u>	<u>September 29, 2023</u>
Fiscal 2022 Severance	\$ 16.8	\$ (1.3)	\$ (14.7)	\$ 0.8
Fiscal 2023 Severance	—	41.7	(20.4)	21.3
Total Reorganization	<u>\$ 16.8</u>	<u>\$ 40.4</u>	<u>\$ (35.1)</u>	<u>\$ 22.1</u>

NOTE 4. 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. The Company performs its assessment of goodwill at the reporting unit level. Within the FSS International segment, each country or region is evaluated separately since such operating units are relatively autonomous and separate goodwill balances have been recorded for each entity. The Company performs its annual impairment test as of the end of the fiscal month of August. If results of the qualitative assessment indicate a more likely than not determination or if a qualitative assessment is not performed, a quantitative test is performed by comparing the estimated fair value, calculated using a discounted cash flow method or market based method, of each reporting unit with its estimated net book value.

During the fourth quarter of fiscal 2023, the Company performed the annual impairment test for goodwill for each of the reporting units using a quantitative testing approach. The Company compared the estimated fair value using a discounted cash flow method of each reporting unit or market based method for certain reporting units with its book value. Based on the evaluation performed, the Company determined that the fair value of each of the reporting units significantly exceeded its respective carrying amount, and therefore, the Company determined that goodwill was not impaired.

The determination of fair value for each reporting unit includes assumptions, which are considered Level 3 inputs, that are subject to risk and uncertainty. The discounted cash flow calculations are dependent on several subjective factors including the timing of future cash flows and the underlying margin projection assumptions, future growth rates and the discount rate. If assumptions or estimates in the fair value calculations change or if future cash flows or future growth rates vary from what was expected, this may impact the impairment analysis and could reduce the underlying cash flows used to estimate fair values and result in a decline in fair value that may trigger future impairment charges.

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Changes in total goodwill during fiscal 2023 are as follows (in thousands):

Segment	September 30, 2022	Acquisitions	Translation & Other	September 29, 2023
FSS United States	\$ 4,150,266	\$ 14,120	\$ 6	\$ 4,164,392
FSS International	401,483	28,770	21,341	451,594
Uniform	963,375	—	168	963,543
	<u>\$ 5,515,124</u>	<u>\$ 42,890</u>	<u>\$ 21,515</u>	<u>\$ 5,579,529</u>

Other intangible assets consist of (in thousands):

	September 29, 2023			September 30, 2022		
	Gross Amount	Accumulated Amortization	Net Amount	Gross Amount	Accumulated Amortization	Net Amount
Customer relationship assets	\$ 1,500,640	\$ (595,514)	\$ 905,126	\$ 1,474,588	\$ (487,877)	\$ 986,711
Trade names	1,154,048	(16,092)	1,137,956	1,133,736	(6,721)	1,127,015
	<u>\$ 2,654,688</u>	<u>\$ (611,606)</u>	<u>\$ 2,043,082</u>	<u>\$ 2,608,324</u>	<u>\$ (494,598)</u>	<u>\$ 2,113,726</u>

During fiscal 2023, the Company acquired customer relationship assets and trade names with values of \$20.7 million and \$14.5 million, respectively. During fiscal 2022, the Company acquired customer relationship assets and trade names with values of \$165.5 million and \$56.3 million, respectively. Customer relationship assets are being amortized principally on a straight-line basis over the expected period of benefit with a weighted average life of approximately 14 years. The Aramark, Avendra and a majority of the other trade names are indefinite lived intangible assets and are not amortized, but are evaluated for impairment at least annually or more frequently if events or changes in circumstances indicate that it is more likely than not that the asset is impaired. The Company utilized the "relief-from-royalty" method, which considers the discounted estimated royalty payments that are expected to be avoided as a result of the trade names being owned. The Company completed its annual trade name impairment test for fiscal 2023, which did not result in an impairment charge for the Aramark or Avendra trade name. Amortization of other intangible assets for fiscal 2023, fiscal 2022 and fiscal 2021 was \$115.5 million, \$108.7 million and \$116.5 million, respectively.

Based on the recorded balances at September 29, 2023, total estimated amortization of all acquisition-related intangible assets for fiscal years 2024 through 2028 are as follows (in thousands):

2024	\$ 117,119
2025	117,231
2026	113,199
2027	104,559
2028	98,385

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5. BORROWINGS:

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

	September 29, 2023	September 30, 2022
Senior secured revolving credit facility, due April 2026	\$ 170,759	\$ 90,897
Senior secured term loan facility, due March 2025	—	1,661,611
Senior secured term loan facility, due April 2026	258,060	334,135
Senior secured term loan facility, due January 2027	835,631	834,619
Senior secured term loan facility, due April 2028	724,393	723,170
Senior secured term loan facility, due June 2030	1,078,588	—
Uniform senior secured term loan facility, due September 2025	795,223	—
Uniform senior secured term loan facility, due September 2028	693,720	—
5.000% senior notes, due April 2025	549,348	547,981
3.125% senior notes, due April 2025 ⁽¹⁾	342,718	317,204
6.375% senior notes, due May 2025	1,492,153	1,487,593
5.000% senior notes, due February 2028	1,142,910	1,141,491
Receivables Facility, due July 2026	—	104,935
Finance leases	164,810	147,373
Other	15,201	19,898
	<u>8,263,514</u>	<u>7,410,907</u>
Less—current portion	<u>(1,596,942)</u>	<u>(65,047)</u>
	<u>\$ 6,666,572</u>	<u>\$ 7,345,860</u>

(1) This is a Euro denominated borrowing. See the disclosure below in the Senior Notes section for further information.

As of September 29, 2023, there were \$685.7 million of outstanding foreign currency borrowings.

Senior Secured Credit Agreement

ASI, an indirect wholly owned subsidiary of the Company, and certain of its subsidiaries entered into a credit agreement on March 28, 2017 (as supplemented or otherwise modified from time to time, the "Credit Agreement"), which replaced the existing Amended and Restated Credit Agreement, originally dated January 26, 2007, and last amended on March 28, 2014 (the "Previous Credit Agreement").

The Credit Agreement includes senior secured term loan facilities consisting of the following as of September 29, 2023:

- A United States dollar denominated term loan to ASI in the amount of \$835.6 million, due 2027 ("United States Term B-4 Loans due 2027"), \$724.4 million, due 2028 ("United States Term B-5 Loans due 2028") and \$1,078.6 million, due 2030 ("United States Term B-6 Loans due 2030");
- A Canadian dollar denominated term loan to Aramark Canada Ltd. in the amount of C\$221.0 million (approximately \$162.8 million), due 2026 (the "Canadian Term A-3 Loans due 2026"); and
- A euro denominated term loan to Aramark Investments Limited, a U.K. borrower, in an amount of €90.2 million (approximately \$95.3 million), of which €22.5 million (approximately \$23.8 million) is due in calendar 2023 (the "Euro Term A-1 Loans due 2023") and the remainder is due in 2026 (the "Euro Term A-2 Loans due 2026"). The Euro Term A-1 Loans due 2023 was repaid in full as of October 2, 2023.

The Credit Agreement also includes a revolving credit facility available for loans in United States dollars, Canadian dollars, euros and pounds sterling to ASI and certain foreign borrowers with aggregate commitments of approximately \$1.2 billion and has a final maturity date of April 6, 2026. As of September 29, 2023, there was \$953.8 million available for borrowing under the revolving credit facility. The Company's revolving credit facility includes a \$250.0 million sublimit for letters of credit. The revolving credit facility may be drawn by ASI as well as by certain foreign subsidiaries of ASI. Each foreign borrower is subject to a sublimit of \$150.0 million with respect to borrowings under the revolving credit facility. In addition to paying interest on outstanding principal under the senior secured credit facilities, the Company is required to pay a commitment fee to the lenders under the revolving credit facility in respect of the unutilized commitments thereunder. The revolving credit facility is subject to a commitment fee ranging from a rate of 0.15% to 0.30% per annum. The actual rate within the range is based on a Consolidated Leverage Ratio, as defined in the Credit Agreement.

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The primary borrower under the senior secured credit facilities is ASI. In addition, certain subsidiaries of ASI are borrowers of the term loan facilities and/or the revolving credit facility. The Company is not a guarantor under the senior secured credit facilities and is not subject to the covenants or obligations under the Credit Agreement.

The applicable margin on the United States Term B-4 Loans due 2027 is 1.75% with respect to Term Benchmark (Adjusted Term Secured Overnight Financing Rate ("SOFR")) borrowings, subject to a SOFR floor of 0.00%, and 0.75% with respect to base-rate borrowings, subject to a minimum base rate of 0.00%. The applicable margin on the United States Term B-5 Loans due 2028 and United States Term B-6 Loans due 2030 is 2.50% with respect to Term Benchmark (Adjusted Term SOFR) borrowings, subject to a SOFR floor of 0.00% and 1.50% with respect to base-rate borrowings, subject to a minimum base rate of 0.00%. The applicable margin spread for the Canadian Term A-3 Loans due 2026, the Euro Term A-1 Loans due 2023, the Euro Term A-2 Loans due 2026 and the senior secured revolving credit facility is 1.125% to 1.625% (as of September 29, 2023 - 1.625%) with respect to Term Benchmark (Adjusted Term SOFR) borrowings, bankers' acceptance ("BA") rate borrowings and letters of credit fees, subject to a floor of 0.00%, and 0.125% to 0.625% (as of September 29, 2023 - 0.625%) with respect to United States and Canadian base rate borrowings, subject to a floor of 0.00%, and 1.1576% to 1.6576% (as of September 29, 2023 - 1.6576%) with respect to Sterling Overnight Index Average ("SONIA") rate borrowings, subject to a floor of 0.00%. The actual spreads within all ranges referred to above are based on a Consolidated Leverage Ratio, as defined in the Credit Agreement.

Fiscal 2023 Transactions

On April 17, 2023, the Company repaid \$468.0 million of the United States Term B-3 Loans due 2025, and ¥8,409.0 million (\$63.0 million) of yen denominated term loans due 2026.

On May 31, 2023, the Company repaid \$100.0 million of United States Term B-3 Loans due 2025.

On June 22, 2023, ASI and certain of its subsidiaries entered into Amendment No. 12 to the Credit Agreement, dated March 28, 2017, which provides for, among other things, the extension of the maturity date applicable to all of the United States Term B-3 Loans due 2025 through the establishment of the United States Term B-6 Loans due 2030 in an amount equal to approximately \$1.1 billion. The new United States Term B-6 Loans due 2030 were funded in full on June 22, 2023 and were applied by the Company to refinance the remaining United States Term B-3 Loans due 2025.

The new United States Term B-6 Loans due 2030 bear interest rate equal to either (a) a forward-looking term rate based on SOFR for the applicable interest period, plus a credit spread adjustment of (i) 0.11448% for borrowings with interest periods of one month, (ii) 0.26161% for borrowings with interest periods of three months and (iii) 0.42826% for borrowings with interest periods of six months ("Adjusted Term SOFR") or (b) a base rate determined by reference to the highest of (1) the prime rate of the administrative agent, (2) the federal funds rate plus 0.50% and (3) the Adjusted Term SOFR plus 1.00% plus an applicable margin set initially at 2.50% for borrowings based on Adjusted Term SOFR and 1.50% for borrowings based on the base rate. The United States Term B-6 Loans due 2030 require the payment of installments in a quarterly principal amount of \$2,750,000 from September 30, 2023 through March 31, 2030, and \$1,025,750,000 at maturity. The United States Term B-6 Loans due 2030 are subject to substantially similar terms currently relating to guarantees, collateral, mandatory prepayments and covenants that are applicable to the Company's other United States Term B Loans outstanding under the Credit Agreement.

The Company capitalized \$8.2 million of costs associated with the issuance of the United States Term B-6 Loans due 2030, which are amortized using the effective interest method over the term of the loans and presented on the Consolidated Balance Sheets as a direct deduction from the carrying value of the loans. Amounts paid for the capitalized third-party costs are included within "Other Financing activities" on the Consolidated Statements of Cash Flows for the fiscal year ended September 29, 2023. The Company also incurred an original issue discount of \$11.0 million upon the issuance of the United States Term B-6 Loans due 2030. The discount is included as an adjustment to the carrying value of the loans and is amortized using the effective interest method over the term of loans in accordance with the accounting literature.

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In conjunction with Amendment No. 12 to the Credit Agreement and the borrowing repayments, the Company recorded a \$2.5 million non-cash loss for the write-off of unamortized deferred debt issuance costs to "Interest and Other Financing Costs, net" on the Consolidated Statements of Income (Loss) during the fiscal year ended September 29, 2023.

On June 29, 2023, ASI entered into Amendment No. 13 to the Credit Agreement, dated March 28, 2017, which provides for a transition of the underlying interest rate applicable to all term loans outstanding and revolving credit commitments and loans available and/or outstanding, in each case, under the Credit Agreement, from a LIBOR-based rate to a forward-looking term rate based on SOFR. All borrowings based on SOFR under the Credit Agreement are subject to a credit spread adjustment of (i) 0.11448% for borrowings with interest periods of one month, (ii) 0.26161% for borrowings with interest periods of three months and (iii) 0.42826% for borrowings with interest periods of six months but the associated interest rate margins applicable to all such borrowings remain unchanged. Amendment No. 13 was entered into in preparation for the general cessation of LIBOR-based borrowings in the leverage lending industry as of June 30, 2023.

Fiscal 2021 Transactions

On April 6, 2021, the Company entered into Amendment No. 11 to the Credit Agreement. Amendment No. 11 provided for, among other things, the extension of the maturity date, in each case, applicable to a portion of the revolving credit facility (the "2018 Tranche Revolving Facility"), a portion of the Canadian dollar denominated term loan due October 2023 (the "Canadian Term A-2 Loans due 2023"), a portion of the Euro Term A-1 Loans due 2023, all of the Yen Term C-1 Loans due 2023 and all of the United States dollar denominated term loan due 2024 (the "United States Term B-2 Loans due 2024") and an increase of \$200.0 million in commitments available under the 2018 Tranche Revolving Facility, in each case, under the Credit Agreement through the establishment of Replacement Revolving Commitments (as defined in the Credit Agreement), New Revolving Commitments (as defined in the Credit Agreement), borrowings of Extended Term Loans (as defined in the Credit Agreement) and borrowings of Refinancing Term Loans (as defined in the Credit Agreement), as applicable, under the Credit Agreement comprised of (i) in the case of the portion of the 2018 Tranche Revolving Facility which was extended, new 2021 Tranche Revolving Commitments (the "New 2021 Tranche Revolving Commitments") in an amount equal to \$1,153.1 million, terminating in April 2026, (ii) in the case of the portion of the Canadian Term A-2 Loans due 2023 which was extended, the Canadian Term A-3 Loans due 2026 in an amount equal to C\$276.9 million, due in April 2026, (iii) in the case of the portion of the Euro Term A-1 Loans due 2023 which was extended, the Euro Term A-2 Loans due 2026 in an amount equal to €78.8 million, due in April 2026, (iv) in the case of the Yen Term C-1 Loans due 2023, the Yen Term C-2 Loans due 2026 in an amount equal to ¥9,343.3 million, due in April 2026 and (v) in the case of the United States Term B-2 Loans due 2024, the United States Term B-5 Loans due 2028 in an amount equal to \$833.0 million, due in April 2028. The Canadian Term A-3 Loans due 2026, Euro Term A-2 Loans due 2026, Yen Term C-2 Loans due 2026 and United States Term B-5 Loans due 2028 were funded in full on April 6, 2021 and were applied by the Company to refinance in part the Canadian Term A-2 Loans due 2023 and Euro Term A-1 Loans due 2023 and to refinance in full the Yen Term C-1 Loans due 2023 and United States Term B-2 Loans due 2024, in each case, previously outstanding under the Credit Agreement. As of April 6, 2021 and after giving effect to Amendment No. 11, \$53.7 million of 2018 Tranche Revolving Commitments, €33.6 million of Euro Term A-1 Loans due 2023 and C\$27.1 million of Canadian Term A-2 Loans due 2023 were outstanding under the Credit Agreement, as amended by Amendment No. 11, in each case due in October 2023 (which date is unchanged from the previous maturity date). The Canadian Term A-2 Loans due 2023 were repaid in full as of October 1, 2021.

The New 2021 Tranche Revolving Commitments are subject to substantially similar terms currently relating to guarantees, collateral, mandatory prepayments and covenants that are applicable to the Company's existing 2018 Tranche Revolving Facility outstanding under the Credit Agreement. For the avoidance of doubt, the remaining 2018 Revolving Tranche Commitments shall be available only in United States dollars and shall bear interest and accrue unused fees at rates consistent with the 2021 Tranche Revolving Facility.

The Canadian Term A-3 Loans due 2026 are subject to substantially similar terms currently relating to guarantees, collateral, mandatory prepayments and covenants that are applicable to the Company's Canadian Term A-2 Loans due 2023 under the Credit Agreement. Amortization payments in respect of the remaining Canadian Term A-2 Loans due 2023 have been reduced on a pro rata basis to reflect the partial refinancing thereof.

The Euro Term A-2 Loans due 2026 are subject to substantially similar terms currently relating to guarantees, collateral, mandatory prepayments and covenants that are applicable to the Company's existing Euro Term A-1 Loans due 2023 outstanding under the Credit Agreement. Amortization payments in respect of the remaining Euro Term A-1 Loans have been reduced on a pro rata basis to reflect the partial refinancing thereof.

The United States Term B-5 Loans due 2028 are subject to substantially similar terms currently relating to guarantees, collateral, mandatory prepayments and covenants that are applicable to the Company's existing United States Term B Loans outstanding under the Credit Agreement.

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The Company capitalized third-party costs of \$16.8 million related to banker fees, rating agency fees and legal fees directly attributable to the refinancings in Amendment No. 11, which are included in "Long-Term Borrowings" and "Other Assets" on the Consolidated Balance Sheets. Amounts paid for the capitalized third-party costs are included within "Other Financing activities" on the Consolidated Statements of Cash Flows for the fiscal year ended October 1, 2021. Additionally the Company recorded a \$2.7 million non-cash loss for the write-off of unamortized deferred financing costs on the revolving credit facility and United States Term B-2 Loans due 2024 to "Interest and Other Financing Costs, net" in the Consolidated Statements of Income (Loss) for the fiscal year ended October 1, 2021.

The Company made optional prepayments of \$194.1 million of outstanding United States dollar and Canadian dollar term loans during fiscal 2021.

Incremental Facilities

The Credit Agreement provides that the Company has the right at any time to request one or more incremental term loan facilities or increases under existing term loan facilities and/or additional revolving credit facilities or increases under the existing revolving credit facility in an amount up to \$1,400.0 million of incremental commitments in the aggregate plus an unlimited amount so long as the pro forma Consolidated Secured Debt to Covenant Adjusted EBITDA ratio (each as calculated in accordance with the Credit Agreement (the "Consolidated Secured Debt Ratio")) would not exceed 3.00 to 1.00, plus any amount of loans and commitments optionally prepaid and terminated under the senior secured credit facilities. The lenders under these facilities are not under any obligation to provide any such incremental facilities or commitments and any such addition of or increase in facilities or commitments will be subject to customary conditions precedent.

Prepayments and Amortization

The Credit Agreement requires the Company to prepay outstanding term loans, subject to certain exceptions, with:

- 50% of ASI's annual excess cash flow (as defined in the Credit Agreement) with step-downs to 25% and 0% upon ASI's reaching certain Consolidated Secured Debt Ratio thresholds; provided, further, that such prepayment shall only be required to the extent excess cash flow for the applicable year exceeds \$10.0 million;
- 100% of the net cash proceeds of all non-ordinary course asset sales or other dispositions of property subject to certain exceptions and customary reinvestment rights; provided, further, that such prepayment shall only be required to the extent net cash proceeds exceeds \$100.0 million; and
- 100% of the net cash proceeds of any incurrence of debt, but excluding proceeds from certain debt permitted under the Credit Agreement.

The foregoing mandatory prepayments will be applied to the term loan facilities on a pro rata basis and will reduce the obligations to make scheduled amortization payments on a dollar for dollar basis as directed by the Company. The Company may voluntarily repay outstanding loans under the Credit Agreement any time without premium or penalty, other than customary "breakage" costs with respect to LIBOR loans. Prepaid term loans may not be reborrowed.

If a change of control as defined in the Credit Agreement occurs, this will cause an event of default under the Credit Agreement. Upon an event of default, the new senior secured credit facilities may be accelerated, in which case the Company would be required to repay all outstanding loans plus accrued and unpaid interest and all other amounts outstanding under the new senior secured credit facilities under the Credit Agreement.

The Canadian Term A-3 Loans due 2026 require the payment of installments in quarterly principal amounts of C\$6.9 million from September 30, 2024 through March 31, 2025, C\$10.4 million from June 30, 2025 through March 31, 2026 and C\$159.2 million at maturity.

The Euro Term A-2 Loans due 2026 require the payment of installments in quarterly principal amounts of €1.5 million from December 30, 2023 through March 31, 2024, €2.0 million from June 30, 2024 through March 31, 2025, €3.0 million from June 30, 2025 through March 31, 2026 and €45.3 million at maturity.

The United States Term B-5 Loans due 2028 require the payment of \$730.5 million at maturity.

Guarantees

All obligations under the Credit Agreement are unconditionally guaranteed by Aramark Intermediate HoldCo Corporation and, subject to certain exceptions, substantially all of ASI's existing and future wholly-owned domestic subsidiaries excluding certain immaterial subsidiaries, Receivables Facility subsidiaries, certain other customarily excluded subsidiaries and certain subsidiaries designated under the Credit Agreement as "unrestricted subsidiaries," referred to, collectively, as the United States Guarantors. All obligations under the Credit Agreement, and the guarantees of those obligations, are secured by (i) a pledge of 100% of the capital stock of ASI, (ii) pledges of 100% of the capital stock (or 65% of voting stock and 100% of non-voting

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stock, in the case of the stock of foreign subsidiaries) held by ASI, Aramark Intermediate HoldCo Corporation or any of the United States Guarantors and (iii) a security interest in, and mortgages on, substantially all tangible assets of Aramark Intermediate HoldCo Corporation, ASI or any of the United States Guarantors.

Certain Covenants

The Credit Agreement contains a number of covenants that, among other things, restrict, subject to certain exceptions, ASI's ability and the ability of its restricted 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 its 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 ASI from its restricted subsidiaries; make certain acquisitions; engage in certain transactions with affiliates; amend material agreements governing ASI's subordinated debt (or any indebtedness that refinances its subordinated debt); and fundamentally change ASI's business. The Credit Agreement also contains certain customary affirmative covenants, such as financial and other reporting, and certain events of default. At September 29, 2023, ASI was in compliance with all of these covenants.

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 sale-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 in the consolidated balance sheets 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 the Credit Agreement (other than the lenders in respect of ASI's United States Term B-4 Loans due 2027, United States Term B-5 Loans due 2028 and United States Term B-6 Loans due 2030 which lenders shall not benefit from the maximum Consolidated Secured Debt Ratio) failed to waive any such default, would also constitute a default under the indentures governing the senior notes. The actual ratio at September 29, 2023 was 1.76x.

The Credit Agreement establishes an incurrence-based minimum Interest Coverage Ratio, defined as Covenant Adjusted EBITDA to consolidated interest expense, as a condition for ASI and its restricted subsidiaries to incur additional indebtedness and to make certain restricted payments. The minimum Interest Coverage Ratio is at least 2.00x for the term of the Credit Agreement. If ASI does not maintain this minimum Interest Coverage Ratio calculated on a pro forma basis for any such additional indebtedness or restricted payments, it could be prohibited from being able to incur additional indebtedness, other than the additional funding provided for under the Credit Agreement and pursuant to specified exceptions, and make certain restricted payments, other than pursuant to certain exceptions. The actual ratio was 3.63x for the fiscal year ended September 29, 2023.

A failure to pay any obligations under the Credit Agreement as they become due or any event causing amounts to become due prior to their stated maturity could result in a cross-default and potential acceleration of the Company's other outstanding debt obligations, including the senior notes.

Uniform Credit Agreement

On September 29, 2023, the Uniform segment and certain of its subsidiaries entered into a credit agreement ("Uniform Credit Agreement") in anticipation of the separation and distribution of the Uniform segment, including senior secured term loan facilities consisting of the following as of September 29, 2023:

- A United States dollar denominated term loan to the Uniform segment in the amount of \$800.0 million, due September 2025 ("United States Term A-1 Loans due September 2025"); and
- A United States dollar denominated term loan to the Uniform segment in the amount of \$700.0 million, due September 2028 ("United States Term A-2 Loans due September 2028"). The United States Term A-2 Loans require the payment of installments in quarterly principal amounts of \$8.8 million through June 30, 2028 and \$533.8 million at maturity.

The Uniform Credit Agreement also includes a revolving credit facility available for loans in United States dollars and Canadian dollars with aggregate commitments of \$300.0 million as of September 29, 2023. As of September 29, 2023, there were no borrowings under the revolving credit facility. The revolving credit facility includes a \$50.0 million sublimit for swingline loans and a \$30.0 million sublimit for letters of credit. The revolving credit facility may be drawn by the Uniform segment as well as by certain foreign subsidiaries. Each foreign borrower is subject to a sublimit of \$100.0 million with respect to borrowings under the revolving credit facility. In addition to paying interest on outstanding principal under the senior secured credit facilities, the Uniform segment is required to pay a commitment fee to the lenders under the revolving credit facility in respect of the unutilized commitments thereunder. The revolving credit facility is subject to a commitment fee ranging from a

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rate of 0.20% to 0.30% per annum. The actual rate within the range is based on a Consolidated Total Net Leverage Ratio, as defined in the Uniform Credit Agreement.

The applicable margin on the United States Term A-1 Loans due September 2025 and the United States Term A-2 Loans due September 2028 for fiscal 2024 is 2.25% with respect to SOFR borrowings, subject to a floor of 0.00%. The applicable margin on the United States Term A-1 Loans due September 2025 and the United States Term A-2 Loans due September 2028 for fiscal 2025 and thereafter ranges from 1.50% to 2.50% based on the Consolidated Total Net Leverage Ratio, as defined in the Uniform Credit Agreement. The effective interest rate for the United States Term A-1 Loans due September 2025 and the United States Term A-2 Loans due September 2028 was 7.74%.

The Uniform Credit Agreement may be prepaid at any time. The Uniform Credit Agreement requires the Uniform segment to prepay outstanding term loans, subject to certain exceptions, with:

- 100% of the net cash proceeds of all non-ordinary course asset sales or other dispositions of property subject to certain exceptions and customary reinvestment rights; provided, further, that such prepayment shall only be required to the extent net cash proceeds exceeds the greater of (a) \$30.0 million and (b) 7.5% of Covenant Adjusted EBITDA;
- 100% of the net cash proceeds of all casualty events with respect to any equipment, fixed assets, or real property; provided, further, that such prepayment shall only be required to the extent proceeds related to the event in excess of \$10.0 million are not reinvested within the reinvestment period; and
- 100% of the net cash proceeds of any incurrence of debt, but excluding proceeds from certain debt permitted under the Uniform Credit Agreement.

All obligations under the Uniform Credit agreement are unconditionally guaranteed by the Uniform segment and, subject to certain exceptions, substantially all of the Uniform segment's existing and future wholly-owned domestic subsidiaries. All obligations under the Uniform Credit Agreement, and the guarantees of those obligations, are secured by (i) pledges of 100% of the capital stock of the Uniform segment's domestic subsidiaries, (ii) pledges of 65% of the capital stock of the Uniform segment's foreign subsidiaries, and (iii) a security interest in, and mortgages on, substantially all tangible assets of the Uniform segment or any of the guarantors.

The Uniform Credit Agreement contains a number of covenants that, among other things, restrict, subject to certain exceptions, the Uniform segment's ability and the ability of its restricted subsidiaries to: incur additional indebtedness; issue preferred stock or provide guarantees; create liens on assets; engage in mergers or consolidations; sell or dispose of assets; pay dividends, make distributions or repurchase its capital stock; engage in certain transactions with affiliates; make investments, loans or advances; create restrictions on the payment of dividends or other amounts to the Uniform segment from its restricted subsidiaries; amend material agreements governing the Uniform segment's subordinated debt; repay or repurchase any subordinated debt, except as scheduled or at maturity; make certain acquisitions; change the Uniform segment's fiscal year; and fundamentally change the Uniform segment's business. The Uniform Credit Agreement also contains certain customary affirmative covenants, such as financial and other reporting, and certain events of default.

The Uniform Credit Agreement requires the Uniform segment to maintain a maximum Consolidated Total Net Leverage Ratio, defined as consolidated total indebtedness over unrestricted cash divided by Covenant Adjusted EBITDA, not to exceed 5.25x for any fiscal quarter ending prior to March 31, 2025, and not to exceed 4.50x for any fiscal quarter ending on or after March 31, 2025, subject to certain exceptions. Consolidated total indebtedness is defined in the Uniform Credit Agreement as total indebtedness consisting of debt for borrowed money, finance leases, disqualified and preferred stock and advances under any Receivables Facility. Covenant Adjusted EBITDA is defined in the Uniform Credit Agreement as consolidated net income increased by interest expense, taxes, depreciation and amortization expense, initial public company costs, restructuring charges, write-offs and noncash charges, non-controlling interest expense, net cost savings in connection with any acquisition, disposition, or other permitted investment under the Uniform Credit Agreement, share-based compensation expense, non-recurring or unusual gains and losses, reimbursable insurance costs, cash expenses related to earn outs, and insured losses.

The Uniform Credit Agreement establishes a minimum Interest Coverage Ratio, defined as Covenant Adjusted EBITDA divided by consolidated interest expense. The minimum Interest Coverage Ratio is required to be at least 2.00x for the term of the Uniform Credit Agreement.

At September 29, 2023, the Company was in compliance with all covenants under the Uniform Credit Agreement.

The Company capitalized \$11.1 million of costs associated with the issuance of the United States Term A-1 Loans due September 2025 and United States Term A-2 Loans due September 2028, which are amortized using the effective interest method over the term of the loans and presented on the Consolidated Balance Sheets as a direct deduction from the carrying

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value of the loans. Amounts paid for the capitalized third-party costs are included within "Other Financing activities" on the Consolidated Statements of Cash Flows for the fiscal year ended September 29, 2023.

The Uniform credit agreement, which includes the revolving credit facility, \$800.0 million United States Term A-1 Loans due September 2025 and \$700.0 million United States Term A-2 Loans due September 2028 will be removed from the Company's Consolidated Balance Sheets as a result of the separation and distribution of the Uniform segment on September 30, 2023.

Senior Notes

6.375% Senior Notes due 2025

On April 27, 2020, ASI issued \$1,500.0 million aggregate principal amount of 6.375% Senior Notes due May 1, 2025 (the "6.375% 2025 Notes"). The Company capitalized upon issuance third-party costs of \$22.3 million directly attributable to the 6.375% 2025 Notes.

The 6.375% 2025 Notes were issued pursuant to an indenture, dated as of April 27, 2020 (the "6.375% 2025 Notes Indenture"), entered into by and among ASI, the Company and certain other Aramark entities, as guarantors, and the U.S. Bank National Association, as trustee. The 6.375% 2025 Notes were issued at par.

The 6.375% 2025 Notes are senior unsecured obligations of ASI. The 6.375% 2025 Notes rank equal in right of payment to all of the Issuer's existing and future senior indebtedness and will rank senior in right of payment to the Issuer's future subordinated indebtedness. The 6.375% 2025 Notes are guaranteed on a senior, unsecured basis by the Company and substantially all of the domestic subsidiaries of ASI. The guarantees of the 6.375% 2025 Notes rank equal in right of payment to all of the senior obligations of such guarantor. The 6.375% 2025 Notes are effectively subordinated to all of ASI's existing and future secured indebtedness, to the extent of the value of the assets securing that indebtedness, and structurally subordinated to all of the liabilities of any of ASI's subsidiaries that do not guarantee the 6.375% 2025 Notes. Interest on the 6.375% 2025 Notes is payable on May 1 and November 1 of each year.

In the event of certain types of changes of control, the holders of the 6.375% 2025 Notes may require ASI to purchase for cash all or a portion of their 6.375% 2025 Notes at a purchase price equal to 101% of the principal amount of such 6.375% 2025 Notes, plus accrued and unpaid interest, if any, to, but not including, the purchase date.

The 6.375% 2025 Notes Indenture contains covenants limiting ASI's ability and the ability of its restricted subsidiaries to: incur additional indebtedness or issue certain preferred shares; pay dividends and make certain distributions, investments and other restricted payments; create certain liens; sell assets; enter into transactions with affiliates; limit the ability of restricted subsidiaries to make payments to ASI; enter into sale and leaseback transactions; merge, consolidate, sell or otherwise dispose of all or substantially all of ASI's and its restricted subsidiaries assets; and designate ASI's subsidiaries as unrestricted subsidiaries. The 6.375% 2025 Notes Indenture also provides for events of default which, if any of them occurs, would permit or require the principal of and accrued interest on the applicable series of 6.375% 2025 Notes to become or to be declared due and payable. Further, a failure to pay any obligations under the 6.375% 2025 Notes Indenture as they become due or any event causing amounts to become due prior to their stated maturity could result in a cross-default and potential acceleration of the Company's other outstanding debt obligations, including the other senior notes and obligations under the Credit Agreement.

On September 15, 2023, ASI filed a redemption notice to redeem the entire \$1,500.0 million 6.375% 2025 Notes on October 2, 2023. As of September 29, 2023, the 6.375% 2025 Notes was recorded in "Current maturities of long-term borrowings" on the Consolidated Balance Sheets. On October 2, 2023, the Company repaid the \$1,500.0 million 6.375% 2025 Notes from existing cash on hand at year-end in conjunction with the separation and distribution of the Uniform segment.

5.000% Senior Notes due 2028

On January 18, 2018, ASI issued \$1,150.0 million aggregate principal amount of 5.000% Senior Notes due February 1, 2028 (the "2028 Notes"). The net proceeds from the 2028 Notes were used to finance the AmeriPride acquisition that occurred in fiscal 2018, to pay down certain borrowings under the revolving credit facility and to pay fees related to the transaction. The Company capitalized third-party costs of \$14.2 million directly attributable to the 2028 Notes, which are included in "Long-Term Borrowings" on the Consolidated Balance Sheets and are being amortized over the debt period.

The 2028 Notes were issued pursuant to an indenture, dated as of January 18, 2018 (the "2028 Notes Indenture"), entered into by and among ASI, the Company and certain other Aramark entities, as guarantors, and the U.S. Bank National Association, as trustee. The 2028 Notes were issued at par.

The 2028 Notes are senior unsecured obligations of ASI. The 2028 Notes rank equal in right of payment to all of the Issuer's existing and future senior indebtedness and will rank senior in right of payment to the Issuer's future subordinated indebtedness. The 2028 Notes are guaranteed on a senior, unsecured basis by the Company and substantially all of the domestic subsidiaries of ASI. The guarantees of the 2028 Notes rank equal in right of payment to all of the senior obligations of such guarantor. The

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2028 Notes are effectively subordinated to all of ASI's existing and future secured indebtedness, to the extent of the value of the assets securing that indebtedness, and structurally subordinated to all of the liabilities of any of ASI's subsidiaries that do not guarantee the 2028 Notes. Interest on the 2028 Notes is payable on February 1 and August 1 of each year.

The 2028 Notes Indenture contains covenants limiting ASI's ability and the ability of its restricted subsidiaries to: incur additional indebtedness or issue certain preferred shares; pay dividends and make certain distributions, investments and other restricted payments; create certain liens; sell assets; enter into transactions with affiliates; limit the ability of restricted subsidiaries to make payments to ASI; enter into sale and leaseback transactions; merge, consolidate, sell or otherwise dispose of all or substantially all of ASI's and its restricted subsidiaries assets; and designate ASI's subsidiaries as unrestricted subsidiaries. The 2028 Notes Indenture also provides for events of default which, if any of them occurs, would permit or require the principal of and accrued interest on the applicable series of 2028 Notes to become or to be declared due and payable. Further, a failure to pay any obligations under the 2028 Notes Indenture as they become due or any event causing amounts to become due prior to their stated maturity could result in a cross-default and potential acceleration of the Company's other outstanding debt obligations, including the other senior notes and obligations under the Credit Agreement.

5.000% Senior Notes due 2025 and 3.125% Senior Notes due 2025

On March 22, 2017, ASI issued \$600.0 million of 5.000% Senior Notes due April 1, 2025 (the "5.000% 2025 Notes"). The 5.000% 2025 Notes were issued pursuant to an indenture (the "5.000% 2025 Notes Indenture"), entered into by and among ASI, the Company and certain other Aramark entities, as guarantors, and The Bank of New York Mellon, as trustee. The 5.000% 2025 Notes were issued at par. On March 27, 2017, Aramark International Finance S.à.r.l. ("AIFS"), an indirect wholly owned subsidiary of the Company, issued €325.0 million of 3.125% Senior Notes due April 1, 2025 (the "3.125% 2025 Notes" and, together with the 5.000% 2025 Notes, the "2025 Notes"). The 3.125% 2025 Notes were issued pursuant to an indenture (the "3.125% 2025 Notes Indenture"), entered into by and among AIFS, the Company and certain other Aramark entities, as guarantors, The Bank of New York Mellon, as trustee and registrar, and The Bank of New York Mellon, London Branch, as paying agent and transfer agent. The 3.125% 2025 Notes were issued at par.

The 2025 Notes are senior unsecured obligations of the respective Issuers. Each series of the 2025 Notes ranks equal in right of payment to all of the respective Issuer's existing and future senior indebtedness, including the senior secured credit facilities under the Credit Agreement, and, in the case of the 5.000% 2025 Notes with respect to ASI and will rank senior in right of payment to the respective Issuer's future subordinated indebtedness. The 2025 Notes are guaranteed on a senior, unsecured basis by the Company and substantially all of the domestic subsidiaries of ASI and the 3.125% 2025 Notes are guaranteed on a senior, unsecured basis by ASI. The guarantees of the 2025 Notes rank equal in right of payment to all of the senior obligations of such guarantor, including guarantees of the senior secured credit facilities and the 2028 Notes, as applicable, and in the case of the 3.125% 2025 Notes with respect to ASI, ASI's obligations under the senior secured credit facilities, the 5.000% 2025 Notes and the 2028 Notes. Each series of the 2025 Notes and the related guarantees thereof are effectively subordinated to all of the respective Issuers' existing and future secured indebtedness, including obligations and/or guarantees of the senior secured credit facilities under the Credit Agreement, to the extent of the value of the assets securing that indebtedness, and structurally subordinated to all of the liabilities of any of ASI's subsidiaries that do not guarantee the 2025 Notes. Interest on the 2025 Notes is payable on April 1 and October 1 of each year.

In the event of certain types of changes of control, the holders of the 2025 Notes may require the applicable Issuer to purchase for cash all or a portion of their 2025 Notes at a purchase price equal to 101% of the principal amount of such 2025 Notes, plus accrued and unpaid interest, if any, to, but not including, the purchase date. ASI has the option to redeem all or a portion of the 5.000% 2025 Notes at any time at the redemption prices set forth in the 5.000% 2025 Notes Indenture, plus accrued and unpaid interest. Beginning April 1, 2020, AIFS has the option to redeem all or a portion of the 3.125% 2025 Notes at any time at the redemption prices set forth in the 3.125% 2025 Notes Indenture, plus accrued and unpaid interest.

The 5.000% 2025 Notes Indenture and the 3.125% 2025 Notes Indenture contain covenants limiting ASI's ability and the ability of its restricted subsidiaries to: incur additional indebtedness or issue certain preferred shares; pay dividends and make certain distributions, investments and other restricted payments; create certain liens; sell assets; enter into transactions with affiliates; limit the ability of restricted subsidiaries to make payments to ASI; enter into sale and leaseback transactions; merge, consolidate, sell or otherwise dispose of all or substantially all of ASI's and its restricted subsidiaries assets; and designate ASI's subsidiaries as unrestricted subsidiaries. The 5.000% 2025 Notes Indenture and the 3.125% 2025 Notes Indenture also provide for events of default which, if any of them occurs, would permit or require the principal of and accrued interest on the applicable series of 2025 Notes to become or to be declared due and payable. Further, a failure to pay any obligations under the 5.000% 2025 Notes Indenture or the 3.125% 2025 Notes Indenture as they become due or any event causing amounts to become due prior to their stated maturity could result in a cross-default and potential acceleration of the Company's other outstanding debt obligations, including the other senior notes and obligations under the Credit Agreement.

During fiscal 2022, the Company made optional prepayments of \$48.5 million on the 5.000% 2025 Notes.

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4.750% Senior Notes due 2026

On June 2, 2021, the Company redeemed the aggregate \$500.0 million principal amount outstanding on the 4.750% 2026 Notes at a redemption price of 102.375% of the aggregate principal amount together with accrued and unpaid interest. The Company recorded \$16.0 million of charges to "Interest and Other Financing Costs, net" on the Consolidated Statements of Income (Loss) for the fiscal year ended October 1, 2021, consisting of the payment of a \$11.9 million call premium and a \$4.1 million non-cash loss for the write-off of unamortized deferred financing costs on the 4.750% 2026 Notes. The amount paid for the call premium is included within "Other financing activities" on the Consolidated Statements of Cash Flows for the fiscal year ended October 1, 2021.

Receivables Facility

The Company has a Receivables Facility agreement with four financial institutions where it sells on a continuous basis an undivided interest in all eligible trade accounts receivable, as defined in the Receivables Facility. Amounts borrowed under the Receivables Facility fluctuate monthly based on the Company's funding requirements and the level of qualified receivables available to collateralize the Receivables Facility. On July 19, 2023, the Company increased the purchase limit available under the Receivables Facility from \$500.0 million to \$600.0 million and extended the scheduled maturity date from June 2024 to July 2026. All other terms and conditions of the agreement remained largely unchanged.

Pursuant to the Receivables Facility, the Company formed ARAMARK Receivables, LLC, a wholly-owned, consolidated, bankruptcy-remote subsidiary. ARAMARK Receivables, LLC was formed for the sole purpose of buying and selling receivables generated by certain subsidiaries of the Company. Under the Receivables Facility, the Company and certain of its subsidiaries transfer without recourse all of their accounts receivable to ARAMARK Receivables, LLC. As collections reduce previously transferred interests, interests in new, eligible receivables are transferred to ARAMARK Receivables, LLC, subject to meeting certain conditions.

As of September 29, 2023, there are no outstanding borrowings under the Receivables Facility. As of September 30, 2022, there were \$104.9 million outstanding borrowings under the Receivables Facility.

Future Maturities and Interest and Other Financing Costs, net

At September 29, 2023, annual maturities on long-term borrowings maturing in the next five fiscal years and thereafter (excluding the \$47.1 million reduction to long-term borrowings from debt issuance costs, \$10.7 million reduction from the discount on the United States Term B-6 Loans due 2030 and \$0.5 million reduction from the discount on the United States Term B-4 Loans due 2027) are as follows (in thousands):

2024	\$	1,610,749
2025		1,832,316
2026		434,529
2027		910,182
2028		2,470,875
Thereafter		1,091,650

The components of interest and other financing costs, net, are summarized as follows (in thousands):

	Fiscal Year Ended		
	September 29, 2023	September 30, 2022	October 1, 2021
Interest expense	\$ 441,262	\$ 381,533	\$ 413,713
Interest income	(30,246)	(17,617)	(15,250)
Other financing costs	28,569	8,811	2,903
Total	<u>\$ 439,585</u>	<u>\$ 372,727</u>	<u>\$ 401,366</u>

NOTE 6. 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

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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 \$2.2 billion notional amount of outstanding interest rate swap agreements as of September 29, 2023, which fix the rate on a like amount of variable rate borrowings with varying maturities through December of fiscal 2028. During fiscal 2023, the Company entered into \$150.0 million notional amount of interest rate swap agreements to hedge the cash flow risk of variability in interest payments on variable rate borrowings and \$1.2 billion notional amount of previously forward starting interest rate swap agreements became effective. In addition, interest rate swaps with notional amounts of \$1.6 billion matured during fiscal 2023.

During fiscal 2023, the Company entered into bilateral agreements with its swap counterparties to transition all of its interest rate swap agreements to use SOFR as the reference rate in anticipation of the discontinuance of LIBOR. There are no changes to interest rate swap parties, notional amounts or settlement dates as a result of these amendments. As of September 29, 2023, all of the Company's interest rate swap agreements were indexed to SOFR.

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. Cash flows from hedging transactions are classified in the same category as the cash flows from the respective hedged item. As of September 29, 2023 and September 30, 2022, \$109.1 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."

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

	Fiscal Year Ended		
	September 29, 2023	September 30, 2022	October 1, 2021
Interest rate swap agreements ⁽¹⁾	\$ 51,541	\$ 193,616	\$ 1,228

(1) Change in the amounts driven by changes in forward interest rates.

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 September 29, 2023, the Company has contracts for approximately 6.6 million gallons outstanding through June of fiscal 2024. The majority of these gasoline and diesel fuel agreements support the Uniform segment with the remaining agreements supporting the FSS United States segment, whereas the impact will be immaterial following the separation and distribution of the Uniform segment subsequent to fiscal year-end (see Note 1). The Company does not record its gasoline and diesel fuel agreements as hedges for accounting purposes. The impact on earnings related to the change in fair value of these unsettled contracts was a gain of \$2.6 million for fiscal 2023, a loss of \$5.2 million for fiscal 2022 and a gain of \$4.4 million for fiscal 2021. The change in fair value for unsettled contracts is included in "Selling and general corporate expenses" on the Consolidated Statements of Income (Loss). When the contracts settle, the gain or loss is recorded in "Cost of services provided (exclusive of depreciation and amortization)" on the Consolidated Statements of Income (Loss).

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The following table summarizes the location and fair value, using Level 2 inputs (see Note 16 for a description of the fair value levels), of the Company's derivatives designated and not designated as hedging instruments on the Consolidated Balance Sheets (in thousands):

	Balance Sheet Location	September 29, 2023	September 30, 2022
ASSETS			
<i>Designated as hedging instruments:</i>			
Interest rate swap agreements	Prepayments and other current assets	\$ —	\$ 5,278
Interest rate swap agreements	Other Assets	147,458	149,755
		<u>\$ 147,458</u>	<u>\$ 155,033</u>
LIABILITIES			
<i>Not designated as hedging instruments:</i>			
Gasoline and diesel fuel agreements	Accounts Payable	\$ 1	\$ 2,631
		<u>\$ 1</u>	<u>\$ 2,631</u>

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

	Income Statement Location	Fiscal Year Ended		
		September 29, 2023	September 30, 2022	October 1, 2021
<i>Designated as hedging instruments:</i>				
Interest rate swap agreements ⁽¹⁾	Interest and Other Financing Costs, net	\$ (59,117)	\$ 27,970	\$ 50,595
<i>Not designated as hedging instruments:</i>				
Gasoline and diesel fuel agreements	Cost of services provided (exclusive of depreciation and amortization)/ Selling and general corporate expenses	314	(3,203)	(8,044)
		<u>\$ (58,803)</u>	<u>\$ 24,767</u>	<u>\$ 42,551</u>

(1) Change in the amounts driven by changes in forward interest rates.

As of September 29, 2023, the Company has a Euro denominated term loan in the amount of €90.2 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 September 29, 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 \$53.7 million.

NOTE 7. 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, or 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

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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):

	Fiscal Year Ended		
	September 29, 2023	September 30, 2022	October 1, 2021⁽¹⁾
FSS United States:			
Business & Industry	\$ 1,407.2	\$ 1,081.2	\$ 695.7
Education	3,437.0	3,161.5	2,124.4
Healthcare	1,318.3	1,235.8	891.2
Sports, Leisure & Corrections	3,537.1	2,722.0	1,511.3
Facilities & Other	2,021.8	1,830.3	1,586.7
Total FSS United States	11,721.4	10,030.8	6,809.3
FSS International:			
Europe	2,303.6	1,853.3	1,347.5
Rest of World	2,058.2	1,803.1	1,518.7
Total FSS International	4,361.8	3,656.4	2,866.2
Uniform	2,770.7	2,639.4	2,420.5
Total Revenue	\$ 18,853.9	\$ 16,326.6	\$ 12,096.0

(1) COVID-19 had a negative impact on revenue for the fiscal year ended October 1, 2021 (see Note 1).

Contract Balances

The Company defers sales commissions earned by its sales force that are considered to be incremental and recoverable costs of obtaining a contract tied to its food, facilities and uniform services. The deferred costs are amortized using the portfolio approach on a straight line basis over the average period of benefit, approximately 8.1 years, and are assessed for impairment on a periodic basis. Determination of the amortization period and the subsequent assessment for impairment of the contract cost asset requires judgment. Employee sales commissions are recorded within "Other Assets" on the Consolidated Balance Sheets (see Note 1).

Leasehold improvements and costs to fulfill contracts include payments made by the Company to enhance the service resources used by the Company to satisfy its performance obligation. These amounts are amortized on a straight-line basis over the contract period. If a contract is terminated prior to its maturity date, the Company is typically reimbursed for the unamortized amount. As of September 29, 2023 and September 30, 2022, the Company had \$775.1 million and \$751.8 million of leasehold improvements capitalized in "Property and equipment, net" on the Consolidated Balance Sheets. Cost to fulfill - Client is recorded within "Other Assets" on the Consolidated Balance Sheets (see Note 1).

Long-term prepaid rent is amortized over the contract period. If a contract is terminated prior to its maturity date, the Company is typically reimbursed for the unamortized amount. Long-term prepaid rent is recorded within "Operating Lease Right-of use Assets" on the Consolidated Balance Sheets (see Note 8).

Other costs to fulfill contracts represent personalized work apparel, linens and other rental items in service in the Uniform segment. The amounts are recorded at cost and are amortized over their estimated useful lives, which primarily range from one

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to four years. The amortization rates used are based on the Company's specific experience. Cost to fulfill - Rental merchandise in-service are recorded within "Other Assets" on the Consolidated Balance Sheets (see Note 1).

The following table summarizes the location of the expense recorded on the Consolidated Statements of Income (Loss) related to the Company's contract balances (in millions):

	Income Statement Location	Fiscal Year Ended		
		September 29, 2023	September 30, 2022	October 1, 2021
Employee sales commissions	Cost of services provided (exclusive of depreciation and amortization)	\$ 28.6	\$ 26.3	\$ 23.9
Leasehold improvements	Depreciation and amortization	129.8	123.9	131.6
Cost to fulfill - Client	Depreciation and amortization	17.7	19.5	20.0
Long-term prepaid rent	Cost of services provided (exclusive of depreciation and amortization)	47.5	34.8	25.3
Cost to fulfill - Rental merchandise in-service	Cost of services provided (exclusive of depreciation and amortization)	343.9	288.5	274.5

Deferred income is recognized in "Accrued expenses and other current liabilities" and "Deferred Income Taxes and Other Noncurrent Liabilities" on the 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, which are 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 fiscal year ended September 29, 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 fiscal year ended September 29, 2023, the Company recognized \$298.9 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):

	September 29, 2023	September 30, 2022
Deferred income	\$ 356.1	\$ 324.5

NOTE 8. LEASES:

The Company has lease arrangements primarily related to real estate, vehicles and equipment, which generally have terms of one to 30 years. Finance leases primarily relate to vehicles and certain real estate. In addition, there can be leases identified in the Company's revenue contracts with customers, which generally include fixed or variable lease payments. The Company assesses whether an arrangement is a lease, or contains a lease, upon inception of the related contract. A right-of-use asset and corresponding lease liability are not recorded for leases with an initial term of 12 months or less ("short-term leases"). 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 \$29.3 million at September 29, 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 September 29, 2023.

The Company recognizes operating lease liabilities and operating lease right-of-use assets on its Consolidated Balance Sheets. Operating lease right-of-use assets represent the Company's right to use the underlying assets for the lease term and operating lease liabilities represent the Company's obligation to make lease payments arising from the lease. Operating lease liabilities and operating lease right-of-use assets are recognized at the lease commencement date based on the estimated present value of the lease payments over the lease term. Deferred rent, tenant improvement allowances and prepaid rent are included in the operating lease right-of-use asset balances. Lease expense is recognized on a straight-line basis over the expected lease term. The Company has lease agreements with lease and non-lease components. Non-lease components are combined with the related lease components and accounted for as lease components for all classes of underlying assets.

Variable lease payments, which primarily consist of leases associated with the Company's revenue contracts with customers, real estate taxes, common area maintenance charges, insurance costs and other operating expenses, are not included in the

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operating lease right-of-use asset or operating lease liability balances and are recognized in the period in which the expenses are incurred. The Company's lease terms may include options to extend or terminate the lease when it is reasonably certain they will be exercised or not, respectively. Options to extend lease terms that are reasonably certain of exercise are recognized as part of the operating lease right-of-use asset and operating lease liability balances.

The Company is required to discount its future minimum lease payments using the interest rate implicit in the lease or, if that rate cannot be readily determined, its incremental borrowing rate. The Company primarily uses its incremental borrowing rate as the discount rate. The Company uses a portfolio approach to determine the incremental borrowing rate based on the geographic location of the lease and the remaining lease term. The incremental borrowing rate is calculated using a base line rate plus an applicable margin.

The following table summarizes the location of the operating and finance leases in the Company's Consolidated Balance Sheets (in thousands), as well as the weighted average remaining lease term and weighted average discount rate:

Leases	Balance Sheet Location	September 29, 2023	September 30, 2022
Assets:			
Operating ⁽¹⁾⁽²⁾	Operating Lease Right-of-use Assets	\$ 630,158	\$ 592,145
Finance	Property and Equipment, net	152,551	137,550
Total lease assets		<u>\$ 782,709</u>	<u>\$ 729,695</u>
Liabilities:			
Current			
Operating	Current operating lease liabilities	\$ 71,206	\$ 68,858
Finance	Current maturities of long-term borrowings	31,412	27,430
Noncurrent			
Operating	Noncurrent Operating Lease Liabilities	291,955	305,623
Finance	Long-term borrowings	133,398	119,943
Total lease liabilities		<u>\$ 527,971</u>	<u>\$ 521,854</u>
Weighted average remaining lease term (in years)			
Operating leases		7.1	7.7
Finance leases		7.4	7.7
Weighted average discount rate			
Operating leases		4.3 %	3.7 %
Finance leases		4.4 %	4.0 %

(1) Includes \$320.1 million and \$260.2 million of long-term prepaid rent as of September 29, 2023 and September 30, 2022, respectively.

(2) During fiscal 2023, the Company recorded impairment charges to its Operating Lease Right-of-use Assets (see Note 1).

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The following table summarizes the location of lease related costs on the Consolidated Statements of Income (Loss) (in thousands):

Lease Cost	Income Statement Location	Fiscal Year Ended		
		September 29, 2023	September 30, 2022	October 1, 2021
Operating lease cost⁽¹⁾:				
Fixed lease costs	Cost of services provided (exclusive of depreciation and amortization)	\$ 133,510	\$ 122,607	\$ 116,934
Variable lease costs ⁽²⁾	Cost of services provided (exclusive of depreciation and amortization)	932,225	774,437	344,130
Short-term lease costs	Cost of services provided (exclusive of depreciation and amortization)	87,962	71,726	48,288
Finance lease cost⁽³⁾:				
Amortization of right-of-use-assets	Depreciation and amortization	34,745	32,702	31,243
Interest on lease liabilities	Interest and Other Financing Costs, net	5,666	4,499	4,794
Net lease cost		<u>\$ 1,194,108</u>	<u>\$ 1,005,971</u>	<u>\$ 545,389</u>

(1) Excludes sublease income, which is immaterial.

(2) Includes \$903.4 million, \$745.6 million and \$325.3 million of costs related to leases associated with revenue contracts with customers for fiscal 2023, 2022 and 2021, respectively. These costs represent the rent the Company pays its clients to operate at their locations, typically based on a percentage of sales. Variable lease costs during fiscal 2021 was impacted by COVID-19.

(3) Excludes variable lease costs, which are immaterial.

Supplemental cash flow information related to leases for the periods reported is as follows (in thousands):

	Fiscal Year Ended		
	September 29, 2023	September 30, 2022	October 1, 2021
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases ⁽¹⁾	\$ 194,663	\$ 135,936	\$ 189,061
Operating cash flows from finance leases	5,666	4,499	4,794
Financing cash flows from finance leases	31,808	31,289	32,496
Lease assets obtained in exchange for lease obligations:			
Operating leases	\$ 64,857	\$ 82,635	\$ 61,345
Finance leases	47,488	35,839	36,046

(1) For fiscal 2023, excludes cash paid for variable and short-term lease costs of \$919.0 million and \$88.0 million, respectively, that are not included within the measurement of lease liabilities. For fiscal 2022, excludes cash paid for variable and short-term lease costs of \$734.2 million and \$71.7 million, respectively, that are not included within the measurement of lease liabilities. For fiscal 2021, excludes cash paid for variable and short-term lease costs of \$304.5 million and \$48.3 million, respectively, that are not included within the measurement of lease liabilities.

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Future minimum lease payments under non-cancelable leases as of September 29, 2023 are as follows (in thousands):

	Operating leases	Finance leases	Total
2024	\$ 85,073	\$ 37,366	\$ 122,439
2025	71,165	33,906	105,071
2026	58,165	29,310	87,475
2027	45,612	24,039	69,651
2028	37,319	19,300	56,619
Thereafter	125,028	49,400	174,428
Total future minimum lease payments	\$ 422,362	\$ 193,321	\$ 615,683
Less: Interest	(59,201)	(28,511)	(87,712)
Present value of lease liabilities	<u>\$ 363,161</u>	<u>\$ 164,810</u>	<u>\$ 527,971</u>

NOTE 9. EMPLOYEE PENSION AND PROFIT SHARING PLANS:

In the United States, the Company maintains qualified contributory and non-contributory defined contribution retirement plans for eligible employees, with Company contributions to the plans based on earnings performance or salary level. The Company also has a non-qualified retirement savings plan for certain employees. The total expense of the above plans for fiscal 2023, fiscal 2022 and fiscal 2021 was \$30.3 million, \$28.6 million and \$28.1 million, respectively. The Company also maintains similar contributory and non-contributory defined contribution retirement plans at several of its international operations, primarily in Canada and the United Kingdom. The total expense of these international plans for fiscal 2023, fiscal 2022 and fiscal 2021 was \$15.3 million, \$15.1 million and \$15.2 million, respectively.

The following table sets forth the components of net periodic pension cost for the Company's single-employer defined benefit pension plans for fiscal 2023, fiscal 2022 and fiscal 2021 (in thousands):

	Fiscal Year Ended		
	September 29, 2023	September 30, 2022	October 1, 2021
Service cost	\$ 840	\$ 1,045	\$ 1,327
Interest cost	6,521	3,887	4,736
Expected return on plan assets	(8,271)	(9,915)	(14,003)
Settlements and curtailments ⁽¹⁾	—	—	61,706
Amortization of prior service cost	26	27	32
Recognized net loss	446	4,574	3,829
Net periodic pension (income) expense	<u>\$ (438)</u>	<u>\$ (382)</u>	<u>\$ 57,627</u>

(1) During fiscal 2021, the Company terminated certain Canadian single-employer defined benefit pension plans and recognized a non-cash loss of \$60.9 million on the Consolidated Statements of Income (Loss).

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The following table sets forth changes in the projected benefit obligation and the fair value of plan assets for these plans (in thousands):

Change in plan assets:	<u>September 29, 2023</u>	<u>September 30, 2022</u>
Fair value of plan assets, beginning	\$ 161,504	\$ 239,013
Foreign currency translation	10,991	(29,381)
Employer contributions	1,184	5,710
Employee contributions	47	88
Actual return on plan assets	(7,021)	(30,650)
Benefits paid	(8,895)	(23,276)
Fair value of plan assets, end	<u>\$ 157,810</u>	<u>\$ 161,504</u>
Change in benefit obligation:		
Benefit obligation, beginning	\$ 122,628	\$ 220,950
Foreign currency translation	7,492	(22,871)
Service cost	840	1,045
Interest cost	6,521	3,887
Employee contributions	47	88
Actuarial gain	(8,162)	(57,195)
Benefits paid	(8,895)	(23,276)
Benefit obligation, ending	<u>120,471</u>	<u>122,628</u>
Funded Status at end of year	<u>\$ 37,339</u>	<u>\$ 38,876</u>

Amounts recognized on the Consolidated Balance Sheets consist of the following (in thousands):

	<u>September 29, 2023</u>	<u>September 30, 2022</u>
Noncurrent benefit asset (included in Other Assets)	\$ 45,443	\$ 47,436
Noncurrent benefit liability (included in Other Noncurrent Liabilities)	(8,104)	(8,560)
Net actuarial loss (included in Accumulated other comprehensive loss before taxes)	28,352	20,411

The following weighted average assumptions were used to determine pension expense of the respective fiscal years:

	<u>September 29, 2023</u>	<u>September 30, 2022</u>
Discount rate	5.1 %	2.1 %
Rate of compensation increase	0.5 %	2.2 %
Long-term rate of return on assets	5.2 %	4.8 %

The following weighted average assumptions were used to determine the funded status of the respective fiscal years:

	<u>September 29, 2023</u>	<u>September 30, 2022</u>
Discount rate	5.4 %	4.9 %
Rate of compensation increase	0.6 %	2.0 %

Assumptions, including discount rate, expected return on assets, compensation increases and health care trends, are adjusted annually, as necessary, based on prevailing market conditions and actual experience. The Company applies a spot-rate approach for the discount rate used in the calculation of pension interest and service cost. The spot-rate approach applies separate discount rates for each projected benefit payment in the calculation.

The accumulated benefit obligation as of September 29, 2023 was \$120.5 million. During fiscal 2023, actuarial losses of \$7.1 million were recognized in other comprehensive income (before taxes) and \$0.4 million of actuarial losses were recognized as net periodic pension cost during such period.

The accumulated benefit obligation as of September 30, 2022 was \$122.5 million. During fiscal 2022, actuarial gains of \$14.6 million were recognized in other comprehensive income (before taxes) and \$4.6 million of actuarial losses were recognized as net periodic pension cost during such period.

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The following table sets forth information for the Company's single-employer pension plans with an accumulated benefit obligation in excess of plan assets as of September 29, 2023 and September 30, 2022 (in thousands):

	September 29, 2023	September 30, 2022
Projected benefit obligation	\$ 8,104	\$ 8,560
Accumulated benefit obligation	8,104	8,560

Assets of the plans are generally invested with the goal of principal preservation and enhancement over the long-term. The primary goal is total return, consistent with prudent investment management. The Company's investment policies also require an appropriate level of diversification across the asset categories. As the Company contemplates or moves toward the wind down of plans, it has shifted toward a more conservative investment approach with a higher proportion of fixed income and cash investments to ensure adequate liquidity at the time of wind down. The current overall capital structure and targeted ranges for asset classes are 5-15% invested in equity securities, 75-95% invested in debt securities and 0-10% in real estate investments and cash and cash equivalents. Performance of the plans is monitored on a regular basis and adjustments of the asset allocations are made when deemed necessary.

The weighted-average long-term rate of return on assets has been determined based on an estimated weighted-average of long-term returns of major asset classes, taking into account historical performance of plan assets, the current interest rate environment, plan demographics, acceptable risk levels and the estimated value of active asset management.

The fair value of plan assets for the Company's defined benefit pension plans as of September 29, 2023 and September 30, 2022 is as follows (see Note 16 for a description of the fair value levels) (in thousands):

	September 29, 2023	Quoted prices in active markets Level 1	Significant other observable inputs Level 2	Significant unobservable inputs Level 3
Cash and cash equivalents	\$ 14,017	\$ 14,017	\$ —	\$ —
Equity securities:				
Investment trusts	1,591	1,591	—	—
Investment funds:				
Equity funds	14,374	—	14,374	—
Fixed income funds	126,899	—	126,899	—
Real estate	929	—	—	929
Total	<u>\$ 157,810</u>	<u>\$ 15,608</u>	<u>\$ 141,273</u>	<u>\$ 929</u>
	September 30, 2022	Quoted prices in active markets Level 1	Significant other observable inputs Level 2	Significant unobservable inputs Level 3
Cash and cash equivalents	\$ 6,746	\$ 6,746	\$ —	\$ —
Equity securities:				
Investment trusts	1,641	1,641	—	—
Investment funds:				
Equity funds	67,035	—	67,035	—
Fixed income funds	76,275	—	76,275	—
Real estate	9,807	—	—	9,807
Total	<u>\$ 161,504</u>	<u>\$ 8,387</u>	<u>\$ 143,310</u>	<u>\$ 9,807</u>

The fair value of the investment funds is based on the value of the underlying assets, as reported to the Plan by the trustees. They are comprised of a portfolio of underlying securities that can be valued based on trading information on active markets.

Cash and cash equivalents include direct cash holdings, which are valued based on cost, and short-term deposits and investments in money market funds, for which fair value measurements are all based on quoted prices for similar assets or liabilities in markets that are active. Investments in equity securities and equity funds include publicly-traded international companies that are diversified across industry, country and stock market capitalization. Investments in fixed income funds primarily consist of international corporate bonds and government securities. For equity securities, the investments are predominantly valued using a market approach based on the closing fair market prices of identical instruments in the principal market on which they are traded. For investment funds, fair value is calculated by applying the Plan's percentage ownership in the fund to the total market value of the account's underlying securities and is therefore categorized as Level 2, as the Plan does

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not directly own shares in these underlying investments. Substantially all of the real estate investments are in international markets.

It is the Company's policy to fund at least the minimum required contributions as outlined in the required statutory actuarial valuation for each plan. The following table sets forth the benefits expected to be paid in the next five fiscal years and in aggregate for the five fiscal years thereafter by the Company's defined benefit pension plans (in thousands):

Fiscal 2024	\$	6,589
Fiscal 2025		6,859
Fiscal 2026		6,855
Fiscal 2027		6,962
Fiscal 2028		7,560
Fiscal 2029 – 2033		41,709

The estimated benefit payments above are based on assumptions about future events. Actual benefit payments may vary significantly from these estimates.

The expected contributions to be paid to the Company's defined benefit pension plans during fiscal 2024 are approximately \$1.0 million.

Multiemployer Defined Benefit Pension Plans

The Company contributes to a number of multiemployer defined benefit pension plans under the terms of collective-bargaining agreements ("CBA") that cover its union-represented employees. The risks of participating in these multiemployer plans are different from single-employer plans in the following respects:

- a. Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
- b. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- c. If the Company chooses to stop participating in some of its multiemployer plans, the Company may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

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The Company's participation in these plans for fiscal 2023 is outlined in the table below. The "EIN/Pension Plan Number" column provides the Employee Identification Number (EIN) and the three-digit plan number, if applicable. Unless otherwise noted, the most recent Pension Protection Act (PPA) zone status available in 2023 and 2022 is for the plans' two most recent fiscal year-ends. The zone status is based on information that the Company received from the plan and is certified by the plan's actuary. Among other factors, plans in the critical and declining zone are generally less than 65% funded and projected to become insolvent in the next 15 or 20 years depending on the ratio of active to inactive participants and plans in the critical zone are generally less than 65% funded. The "FIP/RP Status Pending/Implemented" column indicates plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented. The last column lists the expiration date(s) of the CBA(s) to which the plans are subject. There have been no significant changes that affect the comparability of fiscal 2023, fiscal 2022 and fiscal 2021 contributions.

Pension Fund	EIN/ Pension Plan Number	Pension Protection Act Zone Status		FIP/RP Status Pending/ Implemented	Contributions by the Company (in thousands)			Surcharge Imposed	Range of Expiration Dates of CBAs
		2023	2022		2023	2022	2021		
National Retirement Fund	13-6130178 /001	Critical	Critical	Implemented	\$ 3,994	\$ 3,434	\$ 2,579	No	8/4/2023 - 8/28/2026
UNITE HERE Retirement Fund	82-0994119 /001	Critical and Declining	Critical and Declining	Implemented	6,379	5,483	2,699	No	12/31/2022 - 1/1/2026
Local 1102 Retirement Trust	13-1847329 /001	Critical and Declining	Critical and Declining	Implemented	65	33	22	No	9/30/2024
Central States SE and SW Areas Pension Plan	36-6044243 /001	Critical	Critical and Declining	Implemented	4,439	4,167	3,994	No	3/8/2024 - 9/22/2028
Pension Plan for Hospital & Health Care Employees Philadelphia & Vicinity	23-2627428 /001	Critical and Declining	Critical	Implemented	333	353	354	No	1/31/2023
SEIU National Industry Pension Fund ⁽¹⁾	52-6148540 /001	Critical	Critical	Implemented	230	795	750	No	3/31/2021 - 6/30/2025
Retail Wholesale & Department Store International Union and Industry Pension Fund	63-0708442 /001	Critical and Declining	Critical and Declining	Implemented	466	462	510	No	7/5/2023 - 5/31/2027
Other funds					17,617	16,113	15,995		
Total contributions					\$ 33,523	\$ 30,840	\$ 26,903		

(1) Approximately 50% of the Company's participants in this fund are covered by a single CBA that expires on 4/14/2025.

The Company provided more than 5 percent of the total contributions for the following plans and plan years:

Pension Fund	Contributions to the plan exceeded more than 5% of total contributions (as of the plan's year-end)
Local 1102 Retirement Trust	12/31/2022, 12/31/2021 and 12/31/2020
National Retirement Fund	12/31/2022 and 12/31/2020
Retail Wholesale & Department Store International Union and Industry Pension Fund	12/31/2022, 12/31/2021 and 12/31/2020
Pension Plan for Hospital & Health Care Employees Philadelphia & Vicinity	12/31/2022

At the date the Company's financial statements were issued, Forms 5500 were not available for the plan years ending in fiscal 2023.

NOTE 10. INCOME TAXES:

The Company accounts for income taxes using the asset and liability method. Under this method, the Provision (Benefit) for Income Taxes represents income taxes payable or refundable for the current year plus the change in deferred taxes during the year. Deferred taxes result from differences between the financial and tax bases in assets and liabilities and are adjusted for changes in tax rates and enacted tax legislation. Valuation allowances are recorded to reduce deferred tax assets ("DTAs") when it is more likely than not that a tax benefit will not be realized.

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The components of Income (Loss) Before Income Taxes by source of income (loss) are as follows (in thousands):

	Fiscal Year Ended		
	September 29, 2023	September 30, 2022	October 1, 2021
United States	\$ 391,460	\$ 142,507	\$ (147,735)
Non-United States ⁽¹⁾	459,684	113,131	14,883
	<u>\$ 851,144</u>	<u>\$ 255,638</u>	<u>\$ (132,852)</u>

(1) Fiscal 2023 includes gains from sale of equity investments (see Note 1).

The Provision (Benefit) for Income Taxes consists of (in thousands):

	Fiscal Year Ended		
	September 29, 2023	September 30, 2022	October 1, 2021
Current:			
Federal	\$ 28,118	\$ 1,125	\$ (18,245)
State and local	16,108	7,467	(1,309)
Non-United States	18,843	17,447	22,155
	<u>63,069</u>	<u>26,039</u>	<u>2,601</u>
Deferred:			
Federal ⁽¹⁾	101,120	29,912	(15,364)
State and local	10,058	1,525	(11,652)
Non-United States	3,367	3,985	(16,218)
	<u>114,545</u>	<u>35,422</u>	<u>(43,234)</u>
	<u>\$ 177,614</u>	<u>\$ 61,461</u>	<u>\$ (40,633)</u>

(1) Fiscal 2023 increase in deferred tax expense is a result of the utilization of tax credit carryforward assets.

During fiscal 2021, the Current Provision (Benefit) for Income Taxes includes \$16.7 million of tax expense related to an increase in unrecognized tax benefits, offset by a tax benefit of \$13.8 million to the Deferred Provision (Benefit) for Income Taxes related to a corresponding decrease in deferred tax liabilities, resulting in a net tax expense to the "Provision (Benefit) for Income Taxes" on the Consolidated Statements of Income (Loss) of \$2.9 million related to unrecognized tax benefits.

Current taxes receivable of \$10.2 million and \$10.8 million at September 29, 2023 and September 30, 2022, respectively, are included in "Prepayments and other current assets" on the Consolidated Balance Sheets. Current income taxes payable of \$25.0 million and \$2.6 million at September 29, 2023 and September 30, 2022, respectively, are included in "Accrued expenses and other current liabilities" on the Consolidated Balance Sheets. During fiscal 2021, the Company received \$93.6 million of proceeds related to the fiscal 2020 income tax return from the net operating losses ("NOLs") generated in fiscal 2020 as a result of the CARES Act.

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The Provision (Benefit) for Income Taxes varies from the amount determined by applying the United States Federal statutory rate to Income (Loss) Before Income Taxes as a result of the following (all percentages are as a percentage of Income (Loss) Before Income Taxes):

	Fiscal Year Ended		
	September 29, 2023	September 30, 2022	October 1, 2021
United States statutory income tax rate	21.0 %	21.0 %	21.0 %
Increase (decrease) in taxes, resulting from:			
State income taxes, net of Federal tax benefit	2.4	4.7	7.7
Foreign taxes	1.1	4.0	6.1
Reduction of foreign valuation allowances	(0.4)	(2.1)	(16.5)
Permanent book/tax differences	(0.4)	2.4	(0.4)
Uncertain tax positions	0.7	1.0	(2.2)
Reduction of foreign tax credit valuation allowance	(0.6)	(0.3)	(27.5)
Sale of investments ⁽¹⁾	(1.6)	—	—
CARES Act - Carryback rate differential	—	—	37.9
Canada Defined Benefit Pension Plan Termination	—	—	3.0
Pennsylvania Rate Change Impact	—	(1.7)	—
Tax credits & other	(1.3)	(5.0)	1.5
Effective income tax rate	<u>20.9 %</u>	<u>24.0 %</u>	<u>30.6 %</u>

(1) Includes mainly capital tax gains related to the sale of equity investments in AIM offset by capital tax losses in certain investments in foreign entities.

The effective tax rate is based on expected income, statutory tax rates and tax planning opportunities available to the Company in the various jurisdictions in which it operates. Judgment is required in determining the effective tax rate and in evaluating the tax return positions. Reserves are established when positions are "more likely than not" to be challenged and not sustained. Reserves are adjusted at each financial statement date to reflect the impact of audit settlements, expiration of statutes of limitation, developments in tax law and ongoing discussions with tax authorities. Accrued interest and penalties associated with uncertain tax positions are recognized as part of the income tax provision.

As of each reporting date, the Company considers existing evidence, both positive and negative, that could impact the need for valuation allowances against DTAs. During fiscal 2023 and fiscal 2022, the Company recorded a benefit to the "Provision (Benefit) for Income Taxes" within the Consolidated Statements of Income (Loss) of \$3.8 million and \$8.5 million, respectively, for the reversal of a valuation allowance at a subsidiary in the FSS International segment. The valuation allowance reversal was driven by the Company's ability to utilize DTAs based on future taxable income expected due to business acquisitions. During fiscal 2021, the Company recorded a valuation allowance against DTAs based on cumulative losses in certain subsidiaries in the FSS International segment of \$22.0 million to the "Provision (Benefit) for Income Taxes" on the Consolidated Statements of Income (Loss). The Company continues to monitor operating performance and believes that based on future reversals of deferred tax liabilities ("DTLs") and future taxable income, it is more likely than not that the remaining NOL carryforwards and DTAs will be realized.

During fiscal 2023, the Company recorded a net expense to the "Provision (Benefit) for Income Taxes" on the Consolidated Statements of Income (Loss) of \$76.7 million, of which \$98.4 million reflects the capital gain on the sale of its AIM Services Co., Ltd. equity investment, offset by \$21.7 million of capital losses resulting from the restructuring of certain foreign subsidiaries.

On July 8, 2022, Pennsylvania enacted a corporate net income tax rate reduction over a nine year period. The income tax rate for the 2022 and 2023 tax years are 9.99% and 8.99%, respectively. Starting with the 2024 tax year, the income tax rate is reduced by 0.50% annually until it reaches 4.99% for the 2031 tax year. The Company calculated the impact of the income tax rate reduction on the DTA and DTL balances at September 30, 2022 and recorded a net benefit of \$4.2 million to the "Provision (Benefit) for Income Taxes" within the Consolidated Statements of Income (Loss) during fiscal 2022.

On March 27, 2020, the CARES Act was enacted in response to COVID-19. The CARES Act, among other things, permitted NOLs incurred in fiscal years 2019, 2020 and 2021 to be carried back to each of the five preceding taxable years to generate a refund of previously paid income taxes. NOLs arising in fiscal years 2019, 2020, or 2021 are created in years that have a 21.0% federal income tax rate. If these NOLs are carried back to years prior to fiscal year 2018, the resulting refund would be in years with a 35.0% federal income tax rate.

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During fiscal 2021, the Company recorded, as a result of the CARES Act, a net benefit to the "Provision (Benefit) for Income Taxes" on the Consolidated Statements of Income (Loss) of \$12.0 million, of which \$50.3 million reflected the NOLs expected to be carried back to Pre-Tax Cuts and Jobs Act ("TCJA") years at 35.0% as opposed to the current year rate of 21.0%, which more than offsets the \$36.5 million valuation allowance on DTAs related to foreign tax credit ("FTC") carryforwards and \$1.8 million of tax benefits eliminated by the NOLs carried back. For the fiscal year ended October 1, 2021, the NOL carryback generated a \$3.7 million current taxes receivable, along with \$71.3 million of FTCs and \$11.0 million of general business credits that will be used to offset future federal income tax liabilities.

The Company recorded a net benefit to the "Provision (Benefit) for Income Taxes" on the Consolidated Statements of Income (Loss) of \$4.0 million during fiscal 2021 related to the release of certain stranded tax effects when the Company terminated certain Canadian pension plans (see Note 9).

As of September 29, 2023 and September 30, 2022, the components of Deferred Income Taxes are as follows (in thousands):

	September 29, 2023	September 30, 2022
Deferred tax liabilities:		
Derivatives	\$ 38,339	\$ 40,325
Property and equipment	60,622	98,331
Investments	13,864	44,233
Other intangible assets, including goodwill	635,154	606,211
Cost to fulfill - Rental merchandise in-service	70,359	56,976
Operating Lease Right-of-use Assets	61,049	83,270
Computer software costs and other	33,014	25,401
Gross deferred tax liability	<u>912,401</u>	<u>954,747</u>
Deferred tax assets:		
Insurance	13,999	16,087
Employee compensation and benefits	98,791	83,467
Accruals and allowances	27,640	31,803
Operating lease liabilities	74,024	91,492
NOL/credit carryforwards and other	192,309	345,119
Gross deferred tax asset, before valuation allowances	<u>406,763</u>	<u>567,968</u>
Valuation allowances	<u>(78,194)</u>	<u>(83,827)</u>
Net deferred tax liability	<u>\$ 583,832</u>	<u>\$ 470,606</u>

Rollforward of the valuation allowance is as follows:

	September 29, 2023	September 30, 2022
Balance, beginning of year	\$ (83,827)	\$ (97,472)
Additions	—	—
Subtractions ⁽¹⁾	5,633	13,645
Balance, end of year	<u>\$ (78,194)</u>	<u>\$ (83,827)</u>

(1) The subtractions in fiscal 2023 and fiscal 2022 are mainly driven by the reversal of a valuation allowance based on future taxable income expected due to acquisitions of businesses in the FSS International segment. Fiscal 2022 also includes the reversal of valuation allowances related to pensions.

DTLs of \$610.5 million and \$501.4 million as of September 29, 2023 and September 30, 2022, respectively, are included in "Deferred Income Taxes and Other Noncurrent Liabilities" on the Consolidated Balance Sheets. DTAs of \$26.7 million and \$30.8 million as of September 29, 2023 and September 30, 2022, respectively, are included in "Other Assets" on the Consolidated Balance Sheets.

As of September 29, 2023, certain subsidiaries have recorded DTAs of \$85.5 million associated with accumulated federal, state and foreign NOL carryforwards. The Company believes it is more likely than not that the benefit from certain state and foreign NOL carryforwards will not be realized. As a result, the Company has a valuation allowance of \$47.1 million on the DTAs related to these state and foreign NOL carryforwards as of September 29, 2023. State NOL carryforwards generally begin to expire in 2024 and foreign NOL carryforwards generally have no expiration date.

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As of September 29, 2023, the Company has \$74.4 million of FTC carryforwards, which begin to expire in 2027, along with \$0.8 million of general business credits, which begin to expire in 2044, and \$10.1 million of interest restriction carryforwards, which do not expire. The Company has a valuation allowance of \$31.1 million on the DTAs related to FTC carryforwards as of September 29, 2023.

Undistributed earnings of certain foreign subsidiaries for which no DTL was recorded amounted to approximately \$455.9 million and \$347.2 million as of September 29, 2023 and September 30, 2022, respectively. The foreign withholding tax cost associated with remitting these earnings is \$27.3 million and \$20.4 million as of September 29, 2023 and September 30, 2022, respectively. Such amounts have not been accrued by the Company as it believes those foreign earnings are permanently reinvested.

The Company has \$70.3 million of total gross unrecognized tax benefits as of September 29, 2023, of which \$39.9 million, if recognized, would impact the effective tax rate and \$30.4 million would result in an adjustment to the DTL or payable.

A reconciliation of the beginning and ending amount of gross unrecognized tax benefits follows (in thousands):

	<u>September 29, 2023</u>	<u>September 30, 2022</u>
Balance, beginning of year	\$ 80,220	\$ 65,414
Additions based on tax positions taken in the current year	4,433	863
Additions for tax positions taken in prior years ⁽¹⁾	—	19,610
Reductions for remeasurements, settlements and payments ⁽²⁾	(12,451)	(4,212)
Reductions due to statute expiration	(1,889)	(1,455)
Balance, end of year	<u>\$ 70,313</u>	<u>\$ 80,220</u>

(1) Fiscal 2022 includes a \$16.2 million reclass from deferred income tax liabilities for a position taken in prior years primarily related to tangible property.

(2) Fiscal 2023 includes a remeasurement of foreign tax credit assets that are available to reduce a position taken in prior years.

The Company has \$11.4 million and \$9.7 million accrued for interest and penalties as of September 29, 2023 and September 30, 2022, respectively, on the Consolidated Balance Sheets and recorded \$1.7 million, \$3.1 million and \$2.0 million in interest and penalties during fiscal 2023, fiscal 2022 and fiscal 2021, respectively in the Consolidated Statements of Income (Loss). Interest and penalties related to unrecognized tax benefits are recorded in "Provision (Benefit) for Income Taxes" on the Consolidated Statements of Income (Loss). The Company has \$9.6 million of FTCs that will reduce the gross unrecognized tax benefit.

Unrecognized tax benefits are not expected to significantly change within the next 12 months.

Generally, a number of years may elapse before a tax reporting year is audited and finally resolved. With few exceptions, the Company is no longer subject to United States federal, state or local examinations by tax authorities before 2015. While it is often difficult to predict the final outcome or the timing of or resolution of a particular tax matter, the Company does not anticipate any adjustments resulting from United States federal, state or foreign tax audits that would result in a material change to the financial condition or results of operations. Adequate amounts are established for any adjustments that may result from examinations for tax years after 2015. However, an unfavorable settlement of a particular issue would require use of the Company's cash and cash equivalents.

NOTE 11. STOCKHOLDERS' EQUITY:

The following table presents the Company's cash dividend payments to its stockholders (in millions):

	<u>September 29, 2023</u>	<u>September 30, 2022</u>	<u>October 1, 2021</u>
Dividend payments	\$ 114.6	\$ 113.1	\$ 112.0

On November 13, 2023, a \$0.095 dividend per share of common stock was declared, payable on December 8, 2023, to shareholders of record on the close of business on November 28, 2023.

The Company has 100.0 million shares of preferred stock authorized, with a par value of \$0.01 per share. At September 29, 2023 and September 30, 2022, zero shares of preferred stock were issued or outstanding.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 12. SHARE-BASED COMPENSATION:

On November 12, 2013, the Board of Directors approved, and the stockholders of Aramark adopted by written consent, the Aramark 2013 Stock Incentive Plan (the "Old 2013 Stock Plan"), which became effective on December 1, 2013 and the amended and restated Old 2013 Stock Plan was approved by the Board of Directors on November 9, 2016 and approved by the stockholders of Aramark on February 1, 2017 (as amended, the "2013 Stock Plan"). The 2013 Stock Plan provides that the total number of shares of common stock that may be issued under the 2013 Stock Plan is 25.5 million. On January 29, 2020, the Company's stockholders approved the Second Amended and Restated 2013 Stock Incentive Plan, which amended and restated the 2013 Stock Plan. The Second Amended and Restated 2013 Stock Incentive Plan provides for up to 7.5 million of new shares authorized for issuance to participants, in addition to the shares that remained available for issuance under the 2013 Stock Plan as of January 29, 2020 that are not subject to outstanding awards under the 2013 Stock Plan. On February 2, 2021, the Company's stockholders approved the Third Amended and Restated 2013 Stock Incentive Plan, which amended and restated the Company's 2013 Incentive Plan last amended on January 29, 2020. The Third Amended and Restated 2013 Stock Incentive Plan provides for up to 3.5 million of new shares authorized for issuance to participants, in addition to the shares that remained available for issuance under the 2013 Stock Plan.

On February 3, 2023, the stockholders of Aramark approved the Aramark 2023 Stock Incentive Plan (the "2023 Stock Plan") to replace the 2013 Stock Plan. The 2023 Stock 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 Stock Plan.

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"), PSUs, Deferred Stock Units and Employee Stock Purchase Plan ("ESPP") recorded within "Selling and general corporate expenses" on the Consolidated Statements of Income (Loss) (in millions).

	Fiscal Year Ended		
	September 29, 2023	September 30, 2022	October 1, 2021
TBOs	\$ 15.4	\$ 16.2	\$ 15.1
TBO-Rs	5.2	4.8	4.6
RSUs	51.5	57.8	46.0
PSUs	10.7	5.6	—
Deferred Stock Units	1.7	2.0	1.9
ESPP ⁽¹⁾	2.4	9.1	3.5
	<u>\$ 86.9</u>	<u>\$ 95.5</u>	<u>\$ 71.1</u>
Taxes related to share-based compensation	\$ 15.6	\$ 16.9	\$ 22.6
Cash Received from Option Exercises/ESPP Purchases	47.0	49.3	41.6
Tax Benefit on Share Deliveries ⁽²⁾	1.9	1.0	3.8

(1) Share-based compensation expense related to the ESPP decreased during fiscal 2023 compared to fiscal 2022 as the Company suspended its ESPP beginning in the second quarter of fiscal 2023. Share-based compensation expense related to the ESPP increased during fiscal 2022 compared to fiscal 2021 as the program was available for the entirety of fiscal 2022 as compared to only a portion of fiscal 2021, and the program expanded to additional countries in fiscal 2022.

(2) The tax benefit on option exercises, restricted stock unit and ESPP unit deliveries is included in "Accrued Expenses" on the Consolidated Statements of Cash Flows.

No compensation expense was capitalized. The Company applies an estimated forfeiture assumption of 9.0% per annum based on actual forfeiture activity, which was in effect during each of the fiscal years presented.

The below table summarizes the unrecognized compensation expense as of September 29, 2023 related to non-vested awards and the weighted-average period they are expected to be recognized:

	Unrecognized Compensation Expense (in millions)	Weighted-Average Period (Years)
TBOs	\$ 16.6	2.53
TBO-Rs	6.2	1.59
RSUs	59.7	2.39
PSU	23.3	2.51
Total	<u>\$ 105.8</u>	

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Stock Options

Time-Based Options

The Company's annual TBO grants for fiscal 2023 and fiscal 2022 were awarded in November 2022 and November 2021, respectively, while the Company's annual TBO grants for fiscal 2021 were awarded early in September 2020. The fiscal 2023 TBO grants vest solely based upon continued employment over a four year time period. The fiscal 2022 and 2021 TBO grants vest solely based upon continued employment over a three year time period. All TBOs remain exercisable for 10 years from the date of grant.

The fair value of the TBOs granted was estimated using the Black-Scholes option pricing model. The expected volatility is based on the historic volatility of the Company's stock over the expected term of the stock options. The expected life represents the period of time that options granted are expected to be outstanding and is calculated using the simplified method as permitted under Securities and Exchange Commission ("SEC") rules and regulations due to the method providing a reasonable estimate in comparison to actual experience. The simplified method uses the midpoint between an option's vesting date and contractual term. The risk-free rate is based on the United States Treasury security with terms equal to the expected life of the option as of the grant date. Compensation expense for TBOs is recognized on a straight-line basis over the vesting period during which employees perform related services.

The table below presents the weighted average assumptions and related valuations for TBOs.

	Fiscal Year Ended		
	September 29, 2023	September 30, 2022	October 1, 2021
Expected volatility	42%	41%	40%
Expected dividend yield	1.00% - 1.19%	1.18% - 1.30%	1.08% - 1.25%
Expected life (in years)	6.25	6.00	6.08
Risk-free interest rate	3.65% - 4.28%	1.26% - 2.96%	0.52% - 1.15%
Weighted-average grant-date fair value	\$17.01	\$13.27	\$13.08

A summary of TBO activity is presented below:

Options	Shares (000s)	Weighted-Average Exercise Price	Aggregate Intrinsic Value (\$000s)	Weighted-Average Remaining Term (Years)
Outstanding at September 30, 2022	7,343	\$ 34.19		
Granted	928	\$ 40.28		
Exercised	(1,369)	\$ 31.94		
Forfeited and expired	(302)	\$ 37.52		
Outstanding at September 29, 2023	6,600	\$ 35.36	\$ 14,641	6.3
Exercisable at September 29, 2023	4,733	\$ 33.92	\$ 14,353	5.5
Expected to vest at September 29, 2023	1,707	\$ 39.00	\$ 272	8.3

	Fiscal Year Ended		
	September 29, 2023	September 30, 2022	October 1, 2021
Total intrinsic value exercised (in millions)	\$ 12.0	\$ 6.4	\$ 14.5
Total fair value that vested (in millions)	15.7	13.8	16.0

Retention Time-Based Options

In September 2020, the Board of Directors granted special stock option awards for fiscal 2021 to its key business leaders. The option awards have exercise prices that are in all cases materially above the trading price of the Company's common stock as of the date of grant. The options are awarded in six tranches, with exercise prices that start at \$35 and increase in \$10 increments to an \$85 exercise price. All options remain exercisable for 10 years from the date of grant. These awards will vest ratably on the third, fourth and fifth anniversaries of the grant date. The fair value of the TBO-Rs granted was estimated using the Black-Scholes option pricing model, following the same assumptions and methodology used to value the TBOs.

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cumulative performance period of three years and the participant's continued employment with the Company over three years. The Company is accounting for the fiscal 2022 grants as performance-based awards, with a market condition, valued utilizing the Monte Carlo Simulation pricing model. The grant-date fair value of the PSUs is based on the fair value of the Company's common stock. No share-based compensation expense was recorded during fiscal 2022 or fiscal 2021 related to PSUs granted during fiscal 2020 as the performance targets for the awards were not met.

On October 13, 2023, the Company's Board of Directors, pursuant to the terms of the Third Amended and Restated 2013 Stock Incentive Plan and to reflect the separation and distribution of the Company's Uniform segment that occurred on September 30, 2023, approved amendments to the performance goals and performance periods for the Company's outstanding Performance Stock Units ("PSUs"). For the PSUs granted in fiscal 2022, which were subject to performance targets for the three-year period ending September 27, 2024, two-thirds of these PSUs will now be subject to new adjusted performance targets and an adjusted performance period for the two-year period ending September 29, 2023 and the remaining one-third of these PSUs will be subject to new adjusted performance targets for the one-year period ending September 27, 2024. The PSUs granted in fiscal 2023, which were subject to performance targets for the three-year period ending October 3, 2025, were amended to be subject to adjusted performance targets primarily to reflect the Company on a post-spin off basis. The Company's Board of Directors also approved adjustments increasing the maximum aggregate number of shares authorized for awards under the 2023 Stock Plan by an additional 3.5 million shares.

Performance Stock Units	Units (000s)	Weighted Average Grant-Date Fair Value
Outstanding at September 30, 2022	1,000	\$ 41.13
Granted	477	\$ 48.88
Forfeited	(579)	\$ 42.93
Outstanding at September 29, 2023	898	\$ 44.32

Deferred Stock Units

Deferred Stock Units are issued only to non-employee members of the Board of Directors and represent the right to receive shares of the Company's common stock in the future. Each Deferred Stock Unit will be converted to one share of the Company's common stock either on the first day of the seventh month after which such director ceases to serve as a member of the Board of Directors or at the director's election upon vesting. The grant-date fair value of Deferred Stock Units is based on the fair value of the Company's common stock. The Deferred Stock Units vest on the day prior to the next annual meeting of stockholders (which is generally one year after grant). The Company granted 45,319 Deferred Stock Units during fiscal 2023. In addition, directors may elect to defer their cash retainer into Deferred Stock Units which are fully vested upon issuance.

Employee Stock Purchase Plan

On February 2, 2021, the Company's stockholders approved the Aramark 2021 ESPP. The ESPP allows eligible employees to contribute up to 10% of their eligible pay toward the quarterly purchase of the Company's common stock, subject to an annual maximum dollar amount. The purchase price is 85% of the lesser of the i) fair market value per share of the Company's common stock as determined on the purchase date or ii) fair market value per share of the Company's common stock as determined on the first trading day of the quarterly offering period. Purchases under the ESPP are made in March, June, September, and December. The aggregate number of shares of common stock that may be issued under the ESPP may not exceed 12.5 million shares. There were 0.4 million, 1.3 million and 0.5 million shares purchased under the ESPP during the fiscal years ended September 29, 2023, September 30, 2022 and October 1, 2021, respectively. The Company suspended its ESPP beginning in the second quarter of fiscal 2023.

NOTE 13. EARNINGS (LOSS) PER SHARE:

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

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

	Fiscal Year Ended		
	September 29, 2023	September 30, 2022	October 1, 2021
Earnings (Loss):			
Net income (loss) attributable to Aramark stockholders	\$ 674,108	\$ 194,484	\$ (90,833)
Shares:			
Basic weighted-average shares outstanding	260,592	257,314	254,748
Effect of dilutive securities ⁽¹⁾	2,002	1,760	—
Diluted weighted-average shares outstanding	<u>262,594</u>	<u>259,074</u>	<u>254,748</u>
Basic Earnings (Loss) Per Share:			
Net income (loss) attributable to Aramark stockholders	\$ 2.59	\$ 0.76	\$ (0.36)
Diluted Earnings (Loss) Per Share:			
Net income (loss) attributable to Aramark stockholders	\$ 2.57	\$ 0.75	\$ (0.36)

(1) Incremental shares of 2.0 million have been excluded from the computation of diluted weighted-average shares outstanding for the fiscal year ended October 1, 2021, because the effect would have been antidilutive due to the net loss attributable to Aramark stockholders during the period.

Share-based awards to purchase 8.7 million, 9.3 million and 8.8 million shares were outstanding at September 29, 2023, September 30, 2022 and October 1, 2021, respectively, but were not included in the computation of diluted earnings (loss) per common share, as their effect would have been antidilutive. In addition, PSUs related to 0.9 million, 0.5 million and 0.6 million shares were outstanding at September 29, 2023, September 30, 2022 and October 1, 2021, respectively, but were not included in the computation of diluted earnings (loss) per common share, as the performance targets were not yet met.

NOTE 14. COMMITMENTS AND CONTINGENCIES:

The Company has capital and other purchase commitments of approximately \$840.8 million at September 29, 2023, primarily in connection with commitments for capital projects to help finance improvements or renovations at the facilities in which the Company operates.

At September 29, 2023, the Company also has letters of credit outstanding in the amount of \$85.5 million.

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, customers, 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.

The Company was involved in a dispute with a client regarding Aramark's provision of services pursuant to a contract. During fiscal 2022, the Company resolved the matter by entering into a settlement agreement with the client whereby the Company's obligations totaled \$13.6 million, resulting in a reversal of previously reserved amounts of \$5.7 million, which is included in "Cost of services provided (exclusive of depreciation and amortization)" on the Consolidated Statements of Income (Loss).

ARAMARK AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 15. 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 12). In the Company's Food and Support Services segments, approximately 74% of the global revenue is related to food services and 26% is related to facilities services. COVID-19 had a negative impact on revenue, operating income, capital expenditures and other identifiable assets for all segments in fiscal 2021 (see Note 1). During fiscal years 2023, 2022 and 2021, the Company recorded a gain of \$36.3 million, \$19.0 million and \$10.0 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, which is included in "Cost of services provided (exclusive of depreciation and amortization)" on the Consolidated Statements of Income (Loss). During fiscal 2023, the Company sold its 50% ownership interest in AIM Services Co., Ltd. and ownership interests in other equity investments recognizing a \$427.8 million net pre-tax gain on the Consolidated Statements of Income (Loss) (see Note 1). During fiscal 2021, the Company identified an observable price change related to its equity investment without a readily determinable fair value related to the San Antonio Spurs NBA franchise and recognized a \$137.9 million non-cash gain on the Consolidated Statements of Income (Loss) (see Note 1). The Company terminated certain Canadian defined benefit pension plans and recognized a \$60.9 million non-cash loss on the Consolidated Statements of Income (Loss) during fiscal 2021 (see Note 9). Financial information by segment is as follows (in millions):

Revenue	Fiscal Year Ended		
	September 29, 2023	September 30, 2022	October 1, 2021
FSS United States	\$ 11,721.4	\$ 10,030.8	\$ 6,809.3
FSS International	4,361.8	3,656.4	2,866.2
Uniform	2,770.7	2,639.4	2,420.5
	<u>\$ 18,853.9</u>	<u>\$ 16,326.6</u>	<u>\$ 12,096.0</u>
Operating Income	Fiscal Year Ended		
	September 29, 2023	September 30, 2022	October 1, 2021
FSS United States	\$ 669.5	\$ 449.0	\$ 131.8
FSS International	114.5	112.5	58.2
Uniform	227.3	218.1	120.8
Total Segment Operating Income	1,011.3	779.6	310.8
Corporate	(148.4)	(151.2)	(119.4)
Total Operating Income	<u>\$ 862.9</u>	<u>\$ 628.4</u>	<u>\$ 191.4</u>
Reconciliation to Income (Loss) Before Income Taxes	Fiscal Year Ended		
	September 29, 2023	September 30, 2022	October 1, 2021
Total Operating Income	\$ 862.9	\$ 628.4	\$ 191.4
Gain on Equity Investments, net	(427.8)	—	(137.9)
Loss on Defined Benefit Pension Plan Termination	—	—	60.9
Interest and Other Financing Costs, net	439.6	372.8	401.3
Income (Loss) Before Income Taxes	<u>\$ 851.1</u>	<u>\$ 255.6</u>	<u>\$ (132.9)</u>
Depreciation and Amortization	Fiscal Year Ended		
	September 29, 2023	September 30, 2022	October 1, 2021
FSS United States	\$ 342.4	\$ 330.9	\$ 347.4
FSS International	67.3	66.8	69.4
Uniform	136.5	134.3	133.3
Corporate	0.2	0.3	0.6
	<u>\$ 546.4</u>	<u>\$ 532.3</u>	<u>\$ 550.7</u>

ARAMARK AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Capital Expenditures and Other*	Fiscal Year Ended		
	September 29, 2023	September 30, 2022	October 1, 2021
FSS United States	\$ 299.3	\$ 283.3	\$ 261.8
FSS International	85.3	76.0	59.3
Uniform	77.9	76.7	90.3
Corporate	0.4	—	0.2
	<u>\$ 462.9</u>	<u>\$ 436.0</u>	<u>\$ 411.6</u>

* Includes amounts acquired in business combinations

Identifiable Assets	September 29, 2023	September 30, 2022
FSS United States	\$ 9,535.2	\$ 9,639.7
FSS International	2,250.8	1,989.1
Uniform	3,242.1	3,227.4
Corporate ⁽¹⁾	1,843.1	226.2
	<u>\$ 16,871.2</u>	<u>\$ 15,082.4</u>

(1) In anticipation of the separation and distribution of Vestis, the Uniform legal entity executed a cash dividend to Aramark Corporate of approximately \$1.5 billion, resulting in an increase of identifiable assets within Corporate.

The following geographic data include revenue generated by subsidiaries within that geographic area and net property and equipment based on physical location (in millions):

Revenue	Fiscal Year Ended		
	September 29, 2023	September 30, 2022	October 1, 2021
United States	\$ 14,050.3	\$ 12,277.0	\$ 8,947.8
Foreign	4,803.6	4,049.6	3,148.2
	<u>\$ 18,853.9</u>	<u>\$ 16,326.6</u>	<u>\$ 12,096.0</u>

Property and Equipment, net	September 29, 2023	September 30, 2022
United States	\$ 1,798.7	\$ 1,777.7
Foreign	291.8	254.3
	<u>\$ 2,090.5</u>	<u>\$ 2,032.0</u>

NOTE 16. 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, marketable securities, accounts receivable, accounts payable, borrowings and derivatives. Management believes that the carrying value of cash and cash equivalents, marketable securities, 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 September 29, 2023 and September 30, 2022 was \$8,239.6 million and \$7,153.4 million, respectively. The carrying value of the Company's debt at

September 29, 2023 and September 30, 2022 was \$8,263.5 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 has been classified as Level 2 in the fair value hierarchy levels.

As part of the Union Supply acquisition completed in fiscal 2022 (see Note 2), 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 on the Consolidated Statements of Income (Loss) 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 fiscal 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 a gain net of expenses of \$37.3 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 on the Consolidated Statements of Income (Loss) since the acquisition. The income is included in "Cost of services provided (exclusive of depreciation and amortization)" on the Consolidated Statements of Income (Loss) for the fiscal year ended September 29, 2023. The contingent consideration liability at September 29, 2023 and September 30, 2022 was \$8.4 million and \$45.8 million, respectively.

As part of the Next Level acquisition completed in fiscal 2021 (see Note 2), the Company recorded a contingent consideration obligation based on the fair value of the expected payments. During the second quarter of fiscal 2022, the unit purchase agreement with the former owners of Next Level was amended to modify the terms and conditions associated with the contingent consideration. The amended agreement included calendar year 2023, in addition to calendar years 2022 and 2021, as a performance period to earn consideration should Next Level achieve certain adjusted EBITDA levels. 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 fiscal 2023, due to continued lower performance than expected mainly from inflationary cost pressures and the reduced prospective business opportunities, the Company adjusted the contingent consideration liability to the fair value of the future expected payment, resulting in a \$48.4 million gain, which is included in "Cost of services provided (exclusive of depreciation and amortization)" on the Consolidated Statements of Income (Loss) for the fiscal year ended September 29, 2023. During fiscal 2022, the Company paid \$9.3 million related to the contingent consideration liability, which was for the calendar 2021 performance period. In addition, due to lower performance than expected from inflationary cost pressures, the Company adjusted the contingent consideration liability to the fair value of future expected payments during fiscal 2022, resulting in a \$20.7 million gain, which is included in "Cost of services provided (exclusive of depreciation and amortization)" on the Consolidated Statements of Income (Loss). The fair value of the contingent consideration liability at September 29, 2023 and September 30, 2022 was zero and \$48.4 million, respectively.

ARAMARK AND SUBSIDIARIES
SCHEDULE II -- VALUATION AND QUALIFYING ACCOUNTS AND RESERVES
FOR THE FISCAL YEARS ENDED SEPTEMBER 29, 2023, SEPTEMBER 30, 2022 AND OCTOBER 1, 2021

(in thousands)	Balance, Beginning of Period	Additions Charged to Income	Reductions Deductions from Reserves ⁽¹⁾	Balance, End of Period
Description				
Fiscal Year 2023				
Allowance for credit losses	\$ 56,388	\$ 38,074	\$ 37,890	\$ 56,572
Fiscal Year 2022				
Allowance for credit losses	\$ 79,644	\$ 1,923	\$ 25,179	\$ 56,388
Fiscal Year 2021				
Allowance for credit losses	\$ 74,925	\$ 13,544	\$ 8,825	\$ 79,644

(1) Amounts determined not to be collectible and charged against the reserve and translation.

EXHIBIT INDEX

Copies of any of the following exhibits are available to Stockholders for the cost of reproduction upon written request to the Secretary, Aramark, 2400 Market Street, Philadelphia, PA 19103.

Exhibit No.	Description
2.1#	Agreement and Plan of Merger, dated October 13, 2017, by and among Avendra LLC, Aramark, Capital Merger Sub, LLC, and Marriott International, Inc., as Holder Representative (incorporated by reference to Exhibit 2.1 to Aramark's Current Report on Form 8-K filed with the SEC on October 16, 2017, pursuant to the Exchange Act (file number 001-36223)).
2.2#	Agreement and Plan of Merger, dated October 13, 2017, by and among AmeriPride Services Inc., Aramark, Timberwolf Acquisition Corporation, and Bruce M. Steiner, as Stockholder Representative (incorporated by reference to Exhibit 2.2 to Aramark's Current Report on Form 8-K filed with the SEC on October 16, 2017, pursuant to the Exchange Act (file number 001-36223)).
2.3	Separation and Distribution Agreement, dated as of September 29, 2023, by and between Aramark and Vestis Corporation (incorporated by reference to Exhibit 2.1 to Aramark's Current Report on Form 8-K filed with the SEC on October 2, 2023, pursuant to the Exchange Act (file number 001-36223)).
3.1	Second Amended and Restated Certificate of Incorporation of Aramark (incorporated by reference to Exhibit 3.1 to Aramark's Current Report on Form 8-K filed with the SEC on January 31, 2020, pursuant to the Exchange Act (file number 001-36223)).
3.2	Certificate of Ownership and Merger (incorporated by reference to Exhibit 3.1 to Aramark's Current Report on Form 8-K filed with the SEC on May 15, 2014, pursuant to the Exchange Act (file number 001-36223)).
3.3	Fourth Amended and Restated By-Laws of Aramark, dated August 1, 2023 (incorporated by reference to Exhibit 3.1 to Aramark's Current Report on Form 8-K filed with the SEC on August 3, 2023, pursuant to the Exchange Act (file number 001-36223)).
4.1	Indenture dated as of March 22, 2017, among Aramark Services, Inc., as issuer, Aramark, as parent guarantor, the subsidiary guarantors named therein and The Bank of New York Mellon, as trustee (incorporated by reference to Exhibit 4.1 of Aramark's Current Report on Form 8-K filed with the SEC on March 28, 2017, pursuant to the Exchange Act (file number 001-36223)).
4.2	Indenture dated as of March 27, 2017, among Aramark International Finance S.à.r.l., as issuer, Aramark, as parent guarantor, Aramark Services, Inc., the other guarantors named therein and The Bank of New York Mellon, as trustee and registrar, and The Bank of New York Mellon, London Branch, as paying agent and transfer agent (incorporated by reference to Exhibit 4.2 of Aramark's Current Report on Form 8-K filed with the SEC on March 28, 2017, pursuant to the Exchange Act (file number 001-36223)).
4.3	Indenture, dated as of January 18, 2018, among Aramark Services, Inc., as issuer, Aramark, as parent guarantor, the subsidiary guarantors named therein and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 to Aramark's Current Report on Form 8-K filed with the SEC on January 24, 2018 pursuant to the Exchange Act (file number 001-36223)).
4.4	Indenture, dated as of April 27, 2020, among Aramark Services, Inc., as issuer, Aramark Intermediate Holdco Corporation, as parent guarantor, the subsidiary guarantors named therein and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 of Aramark's Current Report on Form 8-K filed with the SEC on April 28, 2020, pursuant to the Exchange Act (file number 001-36223)).
4.5	Second Supplemental Indenture governing the 5.000% Senior Notes due April 2025, dated as of April 30, 2021, among the subsidiary guarantors named therein, each a subsidiary of Aramark Services, Inc., and The Bank of New York Mellon, as trustee (incorporated by reference to Exhibit 4.1 to Aramark's Quarterly Report on Form 10-Q filed with the SEC on May 11, 2021, pursuant to the Exchange Act (file number 001-36223)).
4.6	Second Supplemental Indenture governing the 3.125% Senior Notes due April 2025, dated as of April 30, 2021, among the subsidiary guarantors named therein, each a subsidiary of Aramark Services, Inc., and The Bank of New York Mellon, as trustee (incorporated by reference to Exhibit 4.2 to Aramark's Quarterly Report on Form 10-Q filed with the SEC on May 11, 2021, pursuant to the Exchange Act (file number 001-36223)).
4.7	Second Supplemental Indenture governing the 5.000% Senior Notes due February 2028, dated as of April 30, 2021, among the subsidiary guarantors named therein, each a subsidiary of Aramark Services, Inc., and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.5 to Aramark's Quarterly Report on Form 10-Q filed with the SEC on May 11, 2021, pursuant to the Exchange Act (file number 001-36223)).
4.8	Third Supplemental Indenture governing the 3.125% Senior Notes due April 2025, dated as of December 16, 2022, among the subsidiary guarantors named therein, each a subsidiary of Aramark Services, Inc., and The Bank of New York Mellon, as trustee (incorporated by reference to Exhibit 4.2 to Aramark's Quarterly Report on Form 10-Q filed with the SEC on February 7, 2023, pursuant to the Exchange Act (file number 001-36223)).

- 4.9 Third Supplemental Indenture governing the 5.000% Senior Notes due April 2025, dated as of December 16, 2022, among the subsidiary guarantors named therein, each a subsidiary of Aramark Services, Inc., and The Bank of New York Mellon, as trustee (incorporated by reference to Exhibit 4.2 to Aramark's Quarterly Report on Form 10-Q filed with the SEC on February 7, 2023, pursuant to the Exchange Act (file number 001-36223)).
- 4.10 Third Supplemental Indenture governing the 5.000% Senior Notes due February 2028, dated as of December 16, 2022, among the subsidiary guarantors named therein, each a subsidiary of Aramark Services, Inc., and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.4 to Aramark's Quarterly Report on Form 10-Q filed with the SEC on February 7, 2023, pursuant to the Exchange Act (file number 001-36223)).
- 4.11 Description of the Company's Common Stock, par value \$0.01 per share (incorporated by reference to Exhibit 4.6 to Aramark's Annual Report on Form 10-K filed with the SEC on November 24, 2020 pursuant to the Exchange Act (file number 001-36223)).
- 10.1 Credit Agreement, dated as of March 28, 2017, among Aramark Services, Inc., Aramark Intermediate HoldCo Corporation, ARAMARK Canada Ltd., ARAMARK Investments Limited, ARAMARK Ireland Holdings Limited, ARAMARK Regional Treasury Europe, Designated Activity Company, ARAMARK Holdings GmbH & Co. KG, Aramark International Finance S.à.r.l., each subsidiary of the United States Borrower that from time to time becomes a party thereto, the financial institutions from time to time party thereto, the issuing banks named therein, JPMorgan Chase Bank, N.A., as administrative agent for the lenders and collateral agent for the secured parties thereunder (incorporated by reference to Exhibit 10.1 of Aramark's Current Report on Form 8-K/A filed with the SEC on March 29, 2017, pursuant to the Exchange Act (file number 001-36223)).
- 10.2 Incremental Amendment No. 1, dated as of September 20, 2017, among Aramark Services, Inc. (the "Company") Aramark Intermediate HoldCo Corporation, ARAMARK Canada Ltd. ("Aramark Canada"), ARAMARK Investments Limited ("Aramark UK"), and certain wholly-owned subsidiaries of the Company, the financial institutions party thereto and JPMorgan Chase Bank, N.A. as administrative agent for the Lenders (as defined below) and collateral agent for the secured parties thereunder to the credit agreement, dated March 28, 2017, among the Company, Aramark Intermediate HoldCo Corporation, Aramark Canada, Aramark UK, ARAMARK Ireland Holdings Limited, ARAMARK Regional Treasury Europe, Designated Activity Company, ARAMARK Holdings GmbH & Co. KG, Aramark International Finance S.à.r.l. and certain wholly-owned domestic subsidiaries of the Company, the financial institutions from time to time party thereto (including the financial institutions party to the Incremental Amendment, the "Lenders"), the issuing banks named therein and JPMorgan Chase Bank, N.A., as administrative agent for the Lenders and collateral agent for the secured parties thereunder (incorporated by reference to Exhibit 10.1 to Aramark's Current Report on Form 8-K filed with the SEC on September 26, 2017, pursuant to the Exchange Act (file number 001-36223)).
- 10.3 Incremental Amendment No. 2, dated as of December 11, 2017, among Aramark Services, Inc., Aramark Intermediate HoldCo Corporation ("Holdings") and certain wholly-owned subsidiaries of Aramark Services, Inc., the financial institutions party thereto and JPMorgan Chase Bank, N.A. as administrative agent for the Lenders (as defined below) and collateral agent for the secured parties thereunder to the credit agreement, dated March 28, 2017, among Aramark Services, Inc., Holdings, ARAMARK Canada Ltd., ARAMARK Investments Limited, ARAMARK Ireland Holdings Limited, ARAMARK Regional Treasury Europe, Designated Activity Company, ARAMARK Holdings GmbH & Co. KG, Aramark International Finance S.à.r.l. and certain wholly-owned domestic subsidiaries of Aramark Services, Inc., the financial institutions from time to time party thereto (the "Lenders"), the issuing banks named therein and JPMorgan Chase Bank, N.A., as administrative agent for the Lenders and collateral agent for the secured parties thereunder (incorporated by reference to Exhibit 10.1 to Aramark's Current Report on Form 8-K filed with the SEC on December 12, 2017 pursuant to the Exchange Act (file number 001-36223)).
- 10.4 Incremental Amendment No. 3, dated as of February 28, 2018, among Aramark Services, Inc., ARAMARK Canada Ltd., and Aramark Intermediate HoldCo Corporation ("Holdings"), the financial institutions party thereto and JPMorgan Chase Bank, N.A. as administrative agent for the Lenders (as defined below) and collateral agent for the secured parties thereunder to the credit agreement, dated March 28, 2017, among Aramark Services, Inc., Holdings, ARAMARK Canada Ltd., ARAMARK Investments Limited, ARAMARK Ireland Holdings Limited, ARAMARK Regional Treasury Europe, Designated Activity Company, ARAMARK Holdings GmbH & Co. KG, Aramark International Finance S.à.r.l. and certain wholly-owned domestic subsidiaries of Aramark Services, Inc., the financial institutions from time to time party thereto (the "Lenders"), the issuing banks named therein and JPMorgan Chase Bank, N.A., as administrative agent for the Lenders and collateral agent for the secured parties thereunder (incorporated by reference to Exhibit 10.1 to Aramark's Quarterly Report on Form 10-Q filed with the SEC on May 8, 2018, pursuant to the Exchange Act (file number 001-36223)).

- 10.5 Amendment No. 4, dated as of May 11, 2018, among Aramark Services, Inc. (the “Company”), Sumitomo Mitsui Banking Corp. (the “Yen Term C Lender”) and JPMorgan Chase Bank, N.A. as administrative agent for the Lenders (as defined below) and collateral agent for the secured parties thereunder to the credit agreement, dated March 28, 2017, among the Company, Aramark Intermediate Holdco Corporation, ARAMARK Canada Ltd., ARAMARK Investments Limited, ARAMARK Ireland Holdings Limited, ARAMARK Regional Treasury Europe, Designated Activity Company, ARAMARK Holdings GmbH & Co. KG, Aramark International Finance S.à.r.l. and certain wholly-owned domestic subsidiaries of the Company, the financial institutions from time to time party thereto (the “Lenders”), the issuing banks named therein and JPMorgan Chase Bank, N.A., as administrative agent for the Lenders and collateral agent for the secured parties thereunder (incorporated by reference to Exhibit 10.1 to Aramark’s Quarterly Report on Form 10-Q filed with the SEC on August 7, 2018, pursuant to the Exchange Act (file number 001-36223)).
- 10.6 Amendment No. 5, dated as of May 24, 2018, among Aramark Services, Inc. (the “Company”), Aramark Intermediate HoldCo Corporation (“Holdings”), certain wholly-owned subsidiaries of the Company, each Converting United States Term B-2 Lender (as defined therein), the Additional United States Term B-2 Lender (as defined therein), the financial institutions party thereto and JPMorgan Chase Bank, N.A. as administrative agent for the Lenders (as defined below) and collateral agent for the secured parties thereunder to the credit agreement, dated March 28, 2017, among the Company, Holdings, ARAMARK Canada Ltd., ARAMARK Investments Limited, ARAMARK Ireland Holdings Limited, ARAMARK Regional Treasury Europe, Designated Activity Company, ARAMARK Holdings GmbH & Co. KG, Aramark International Finance S.à.r.l. and certain wholly-owned domestic subsidiaries of the Company, the financial institutions from time to time party thereto (the “Lenders”), the issuing banks named therein and JPMorgan Chase Bank, N.A., as administrative agent for the Lenders and collateral agent for the secured parties thereunder (incorporated by reference to Exhibit 10.1 to Aramark’s Current Report on Form 8-K filed with the SEC on May 31, 2018 pursuant to the Exchange Act (file number 001-36223)).
- 10.7 Amendment No. 6, dated as of June 12, 2018, among Aramark Services, Inc. (the “Company”), Aramark Intermediate HoldCo Corporation (“Holdings”), certain wholly-owned subsidiaries of the Company, each Converting United States Term B-3 Lender (as defined therein), the Additional United States Term B-3 Lender (as defined therein), the financial institutions party thereto and JPMorgan Chase Bank, N.A. as administrative agent for the Lenders (as defined below) and collateral agent for the secured parties thereunder to the credit agreement, dated March 28, 2017, among the Company, Holdings, ARAMARK Canada Ltd., ARAMARK Investments Limited, ARAMARK Ireland Holdings Limited, ARAMARK Regional Treasury Europe, Designated Activity Company, ARAMARK Holdings GmbH & Co. KG, Aramark International Finance S.à.r.l. and certain wholly-owned domestic subsidiaries of the Company, the financial institutions from time to time party thereto (the “Lenders”), the issuing banks named therein and JPMorgan Chase Bank, N.A., as administrative agent for the Lenders and collateral agent for the secured parties thereunder (incorporated by reference to Exhibit 10.1 to Aramark’s Current Report on Form 8-K filed with the SEC on June 18, 2018 pursuant to the Exchange Act (file number 001-36223)).
- 10.8 Amendment No. 7 (the “Amendment”), dated as of October 1, 2018, among Aramark Services, Inc. (the “Company”), Aramark Intermediate HoldCo Corporation (“Holdings”), Aramark Intermediate HoldCo Corporation (“Holdings”), ARAMARK Canada Ltd. (the “Canadian Borrower”), ARAMARK Investments Limited, ARAMARK Limited (together with ARAMARK Investments Limited, the “UK Borrowers”), ARAMARK Ireland Holdings Limited, ARAMARK Regional Treasury Europe, Designated Activity Company (together with ARAMARK Ireland Holdings Limited, the “Irish Borrowers”), ARAMARK Holdings Deutschland GMBH (as successor by merger to ARAMARK Holdings GmbH & Co. KG, the “German Borrower”), Aramark International Finance S.à.r.l. (the “Luxembourg Borrower”), certain other wholly-owned subsidiaries of the Company, the financial institutions party thereto and JPMorgan Chase Bank, N.A. as administrative agent for the Lenders (as defined below) and collateral agent for the secured parties thereunder to the credit agreement, dated March 28, 2017, among the Company, Holdings, the Canadian Borrower, the UK Borrower, the Irish Borrowers, the German Borrower, the Luxembourg Borrower and certain other wholly-owned domestic subsidiaries of the Company, the financial institutions from time to time party thereto (the “Lenders”), the issuing banks named therein and JPMorgan Chase Bank, N.A., as administrative agent for the Lenders and collateral agent for the secured parties thereunder (incorporated by reference to Exhibit 10.1 to Aramark’s Current Report on Form 8-K filed with the SEC on October 4, 2018 pursuant to the Exchange Act (file number 001-36223)).

- 10.9 Incremental Amendment No. 8 (the “Incremental Amendment”), dated as of January 15, 2020, among Aramark Services, Inc. (the “Company”), Aramark Intermediate HoldCo Corporation (“Holdings”), certain wholly-owned subsidiaries of the Company, the United States Term B-4 Lenders (as defined therein) and JPMorgan Chase Bank, N.A. as administrative agent for the Lenders (as defined therein) and collateral agent for the secured parties thereunder amending that certain credit agreement, dated March 28, 2017, among the Company, Holdings, ARAMARK Canada Ltd., ARAMARK Investments Limited, ARAMARK Limited, ARAMARK Ireland Holdings Limited, ARAMARK Regional Treasury Europe, Designated Activity Company, ARAMARK Holdings Deutschland GMBH (as successor by merger to ARAMARK Holdings GmbH & Co. KG), Aramark International Finance S.à.r.l. and certain other wholly-owned domestic subsidiaries of the Company, the financial institutions from time to time party thereto (including the financial institutions party to the Incremental Amendment, the “Lenders”), the issuing banks named therein and JPMorgan Chase Bank, N.A., as administrative agent for the Lenders and collateral agent for the secured parties thereunder (incorporated by reference to Exhibit 10.1 to Aramark’s Current Report on Form 8-K filed with the SEC on January 16, 2020 pursuant to the Exchange Act (file number 001-36223)).
- 10.10 Amendment No. 9, dated as of April 22, 2020, among Aramark Services, Inc., as borrower, Aramark Intermediate HoldCo Corporation, ARAMARK Canada Ltd., ARAMARK Investments Limited, ARAMARK Limited, ARAMARK Ireland Holdings Limited, ARAMARK Regional Treasury Europe, Designated Activity Company, ARAMARK Holdings Deutschland GMBH (as successor by merger to ARAMARK Holdings GmbH & Co. KG), Aramark International Finance S.à.r.l., each lender party thereto and JPMorgan Chase Bank, N.A. as administrative agent (incorporated by reference to Exhibit 10.1 of Aramark’s Current Report on Form 8-K filed with the SEC on April 28, 2020, pursuant to the Exchange Act (file number 001-36223)).
- 10.11 Amendment No. 10, dated as of November 12, 2020, among Aramark Services, Inc., Aramark Intermediate HoldCo Corporation, ARAMARK Canada Ltd., ARAMARK Investments Limited, ARAMARK Limited, ARAMARK Ireland Holdings Limited, ARAMARK Regional Treasury Europe, Designated Activity Company, ARAMARK Holdings Deutschland GMBH (as successor by merger to ARAMARK Holdings GmbH & Co. KG), Aramark International Finance S.à.r.l., each lender party thereto and JPMorgan Chase Bank, N.A. as administrative agent (incorporated by reference to Exhibit 10.11 to Aramark’s Annual Report on Form 10-K filed with the SEC on November 24, 2020 pursuant to the Exchange Act (file number 001-36223)).
- 10.12 Amendment No. 11 (the “Amendment”), dated as of April 6, 2021, among Aramark Services, Inc. (the “Company”), Aramark Intermediate HoldCo Corporation (“Holdings”), Aramark Intermediate HoldCo Corporation (“Holdings”), ARAMARK Canada Ltd. (the “Canadian Borrower”), ARAMARK Investments Limited, ARAMARK Limited (together with ARAMARK Investments Limited, the “UK Borrowers”), ARAMARK Ireland Holdings Limited, ARAMARK Regional Treasury Europe, Designated Activity Company (together with ARAMARK Ireland Holdings Limited, the “Irish Borrowers”), ARAMARK Holdings Deutschland GMBH (as successor by merger to ARAMARK Holdings GmbH & Co. KG, the “German Borrower”), Aramark International Finance S.à.r.l. (the “Luxembourg Borrower”), certain other wholly-owned subsidiaries of the Company, the financial institutions party thereto and JPMorgan Chase Bank, N.A. as administrative agent for the Lenders (as defined below) and collateral agent for the secured parties thereunder to the credit agreement, dated March 28, 2017, among the Company, Holdings, the Canadian Borrower, the UK Borrower, the Irish Borrowers, the German Borrower, the Luxembourg Borrower and certain other wholly-owned domestic subsidiaries of the Company, the financial institutions from time to time party thereto (including the financial institutions party to the Amendment, the “Lenders”), the issuing banks named therein and JPMorgan Chase Bank, N.A., as administrative agent for the Lenders and collateral agent for the secured parties thereunder (incorporated by reference to Exhibit 10.1 to Aramark’s Quarterly Report on Form 10-Q filed with the SEC on August 10, 2021, pursuant to the Exchange Act (file number 001-36223)).
- 10.13 Amendment No. 12 (the “Amendment”), dated as of June 22, 2023, among Aramark Services, Inc. (the “Company”), Aramark Intermediate HoldCo Corporation (“Holdings”), certain wholly-owned subsidiaries of the Company, the financial institutions party thereto and JPMorgan Chase Bank, N.A. as administrative agent for the Lenders (as defined below) and collateral agent for the secured parties thereunder to the Credit Agreement, dated March 28, 2017, among the Company, Holdings, certain other borrowers party thereto, the financial institutions from time to time party thereto (including the financial institutions party to the Amendment, the “Lenders”), the issuing banks named therein and JPMorgan Chase Bank, N.A., as administrative agent for the Lenders and collateral agent for the secured parties thereunder (incorporated by reference to Exhibit 10.2 to Aramark’s Current Report on Form 8-K filed with the SEC on June 27, 2023, pursuant to the Exchange Act (file number 001-36223)).
- 10.14 Amendment No. 13 (the “Amendment”), dated as of June 29, 2023, among Aramark Services, Inc. (the “Company”), Aramark Intermediate HoldCo Corporation (“Holdings”) and JPMorgan Chase Bank, N.A. as administrative agent for the Lenders (as defined below) and collateral agent for the secured parties thereunder to the Credit Agreement, dated March 28, 2017, among the Company, Holdings, certain other borrowers party thereto, the financial institutions from time to time party thereto (including the financial institutions party to the Amendment, the “Lenders”), the issuing banks named therein and JPMorgan Chase Bank, N.A., as administrative agent for the Lenders and collateral agent for the secured parties thereunder (incorporated by reference to Exhibit 10.2 to Aramark’s Quarterly Report on Form 10-Q filed with the SEC on August 8, 2023, pursuant to the Exchange Act (file number 001-36223)).

- 10.15 Joinder Agreement, dated as of November 18, 2022, between each New Subsidiary listed on Schedule I thereto and JPMorgan Chase Bank, N.A., as agent (incorporated by reference to Exhibit 10.1 to Aramark's Quarterly Report on Form 10-Q filed with the SEC on February 7, 2023, pursuant to the Exchange Act (file number 001-36223)).
- 10.16 United States Pledge and Security Agreement, dated as of March 28, 2017 by and among Aramark Intermediate HoldCo Corporation, Aramark Services, Inc., the Subsidiary Parties from time to time party thereto and JPMorgan Chase Bank, N.A. as collateral agent (incorporated by reference to Exhibit 10.2 to Aramark's Quarterly Report on Form 10-Q filed with the SEC on May 9, 2017, pursuant to the Exchange Act (file number 001-36223)).
- 10.17 Amended and Restated Registration Rights and Coordination Committee Agreement, dated as of December 10, 2013, among Aramark and the other parties thereto (incorporated by reference to Exhibit 10.2 to Aramark's Current Report on Form 8-K filed with the SEC on December 16, 2013, pursuant to the Exchange Act (file number 001-36223)).
- 10.18† Form of Agreement Relating to Employment and Post-Employment Competition and Schedule 1 listing each Executive Officer who is a party to such Agreement (incorporated by reference to Exhibit 10.1 to Aramark Services, Inc.'s Current Report on Form 8-K filed with the SEC on July 19, 2007, pursuant to the Exchange Act (file number 001-04762)).
- 10.19† Form of Amendment to Agreement Relating to Employment and Post-Employment Competition (incorporated by reference to Exhibit 10.8 to Aramark Services, Inc.'s Annual Report on Form 10-K filed with the SEC on December 15, 2008, pursuant to the Exchange Act (file number 001-04762)).
- 10.20† Offer Letter dated February 4, 2019 between Aramark and Lauren A. Harrington (incorporated by reference to Exhibit 10.21 to Aramark's Annual Report on Form 10-K filed with the SEC on November 26, 2019, pursuant to the Exchange Act (file number 001-36223)).
- 10.21† Amended and Restated Agreement Relating to Employment and Post-Employment Competition dated July 16, 2020 between Aramark and Lauren A. Harrington (incorporated by reference to Exhibit 10.5 of Aramark's Current Report on Form 8-K filed with the SEC on July 17, 2020, pursuant to the Exchange Act (file number 001-36223)).
- 10.22† Offer Letter by and between Aramark and John J. Zillmer, dated October 6, 2019 (incorporated by reference to Exhibit 10.2 to Aramark's Current Report on Form 8-K filed with the SEC on October 7, 2019, pursuant to the Exchange Act (file number 001-36223)).
- 10.23† Amended and Restated Agreement Relating to Employment and Post-Employment Competition dated July 16, 2020 between Aramark and John J. Zillmer (incorporated by reference to Exhibit 10.1 of Aramark's Current Report on Form 8-K filed with the SEC on July 17, 2020, pursuant to the Exchange Act (file number 001-36223)).
- 10.24† Offer Letter, dated as of January 5, 2020, by and between Thomas Ondrof and Aramark (incorporated by reference to Exhibit 10.2 to Aramark's Current Report on Form 8-K filed with the SEC on January 6, 2020, pursuant to the Exchange Act (file number 001-36223)).
- 10.25† Amended and Restated Agreement Relating to Employment and Post-Employment Competition dated July 16, 2020 between Aramark and Thomas Ondrof (incorporated by reference to Exhibit 10.2 of Aramark's Current Report on Form 8-K filed with the SEC on July 17, 2020, pursuant to the Exchange Act (file number 001-36223)).
- 10.26† Amended and Restated Agreement Relating to Employment and Post-Employment Competition dated July 16, 2020 between Aramark and Lynn B. McKee (incorporated by reference to Exhibit 10.3 of Aramark's Current Report on Form 8-K filed with the SEC on July 17, 2020, pursuant to the Exchange Act (file number 001-36223)).
- 10.27† Offer Letter dated December 4, 2019 between Aramark and Marc Bruno (incorporated by reference to Exhibit 10.29 to Aramark's Annual Report on Form 10-K filed with the SEC on November 24, 2020 pursuant to the Exchange Act (file number 001-36223)).
- 10.28† Amended and Restated Agreement Relating to Employment and Post-Employment Competition dated July 16, 2020 between Aramark and Marc Bruno (incorporated by reference to Exhibit 10.30 to Aramark's Annual Report on Form 10-K filed with the SEC on November 24, 2020 pursuant to the Exchange Act (file number 001-36223)).
- 10.29*† Offer Letter dated December 2, 2022 between Aramark and Abigail A. Charpentier.
- 10.30*† Amended and Restated Agreement Relating to Employment and Post-Employment Competition dated December 3, 2022 between Aramark and Abigail A. Charpentier.
- 10.31† Form of Indemnification Agreement and attached schedule (incorporated by reference to Exhibit 10.4 to Aramark Services, Inc.'s Current Report on Form 8-K filed with the SEC on August 10, 2005, pursuant to the Exchange Act (file number 001-16807)).
- 10.32† Form of Indemnification Agreement (Directors) (incorporated by reference to Exhibit 10.17 to Aramark's Annual Report on Form 10-K filed with the SEC on November 22, 2017 pursuant to the Exchange Act (file number 001-36223)).

- 10.33† Form of Indemnification Agreement (Executive Officers) (incorporated by reference to Exhibit 10.29 to Aramark's Annual Report on Form 10-K filed with the SEC on November 26, 2019, pursuant to the Exchange Act (file number 001-36223)).
- 10.34† Indemnification Agreement dated February 4, 2014 between Stephen Sadove and Aramark (incorporated by reference to Exhibit 10.2 to Aramark's Quarterly Report on Form 10-Q filed with the SEC on February 5, 2014, pursuant to the Exchange Act (file number 001-36223)).
- 10.35† Aramark 2001 Deferred Compensation Plan (incorporated by reference to Exhibit 10.1 to Aramark Services, Inc.'s Registration Statement on Form S-8 filed with the SEC on May 24, 2002 (file number 333-89120)).
- 10.36† Second Amended and Restated Aramark Savings Incentive Retirement Plan (incorporated by reference to Exhibit 10.45 to Aramark's Form S-1/A filed with the SEC on November 19, 2013, (file number 333-191057)).
- 10.37† Amendment 2019-1 to the Second Amended and Restated Aramark Savings Incentive Retirement Plan (incorporated by reference to Exhibit 10.6 to Aramark's Quarterly Report on Form 10-Q filed with the SEC on February 4, 2020, pursuant to the Exchange Act (file number 001-36233)).
- 10.38† Amended Survivor Income Protection Plan (incorporated by reference to Exhibit 10.5 to Aramark Services, Inc.'s Quarterly Report on Form 10-Q filed with the SEC on August 8, 2007, pursuant to the Exchange Act (file number 001-04762)).
- 10.39† Second Amended and Restated Aramark 2005 Deferred Compensation Plan (incorporated by reference to Exhibit 10.48 to Aramark's Form S-1/A filed with the SEC on November 19, 2013 (file number 333-191057)).
- 10.40† Third Amended and Restated 2005 Deferred Compensation Plan (incorporated by reference to Exhibit 10.2 to Aramark's Quarterly Report on Form 10-Q filed with the SEC on February 10, 2016, pursuant to the Exchange Act (file number 001-36233)).
- 10.41† Amended and Restated Aramark Management Incentive Bonus Plan (incorporated by reference to Exhibit 10.39 to Aramark's Annual Report on Form 10-K filed with the SEC on November 23, 2021 pursuant to the Exchange Act (file number 001-36223)).
- 10.42† Aramark 2005 Deferred Compensation Plan for Directors (incorporated by reference to Exhibit 10.67 to Aramark's Form S-1/A filed with the SEC on November 19, 2013 (file number 333-191057)).
- 10.43† Aramark's Amended and Restated 2013 Stock Incentive Plan (incorporated by reference to Exhibit 10.1 to Aramark's Quarterly Report on Form 10-Q filed with the SEC on February 7, 2017, pursuant to the Exchange Act (file number 001-36233)).
- 10.44† Second Amended and Restated 2013 Stock Incentive Plan of Aramark (incorporated by reference to Appendix A to the Company's Proxy Statement filed with the SEC on December 20, 2019 (file number 001-36223)).
- 10.45† Aramark Third Amended and Restated 2013 Stock Incentive Plan of Aramark (incorporated by reference to Appendix A to the Company's Proxy Statement filed with the SEC on December 23, 2020 (file number 001-36223)).
- 10.46† Form of Non-Qualified Stock Option Award Agreement (incorporated by reference to Exhibit 10.2 to Aramark Services, Inc.'s Current Report on Form 8-K filed with the SEC on June 26, 2013, pursuant to the Exchange Act (file number 001-04762)).
- 10.47† Form of Replacement Stock Option Award Agreement with Aramark (incorporated by reference to Exhibit 10.5 to Aramark Services, Inc.'s Current Report on Form 8-K filed with the SEC on June 26, 2013, pursuant to the Exchange Act (file number 001-04762)).
- 10.48† Revised Schedule 1s to Outstanding Non-Qualified Stock Option Agreements (incorporated by reference to Exhibit 10.68 to Aramark's Form S-1/A filed with the SEC on November 19, 2013 (file number 333-191057)).
- 10.49† Form of Amendment to Outstanding Non-Qualified Stock Option Agreement (incorporated by reference to Exhibit 10.69 to Aramark's Form S-1/A filed with the SEC on November 19, 2013 (file number 333-191057)).
- 10.50† Form of Non-Qualified Stock Option Award under the Aramark 2013 Stock Incentive Plan (incorporated by reference to Exhibit 10.71 to Aramark's Form S-1/A filed with the SEC on November 19, 2013 (file number 333-191057)).
- 10.51† Form of Non-Qualified Stock Option Award (Retirement Notice/Full Vest) (incorporated by reference to Exhibit 10.72 to Aramark's Annual Report on Form 10-K filed with the SEC on November 22, 2017 pursuant to the Exchange Act (file number 001-36223)).
- 10.52† Form of Restricted Stock Unit Award (Time Vesting) (Retirement Notice/2Y Vest) (incorporated by reference to Exhibit 10.73 to Aramark's Annual Report on Form 10-K filed with the SEC on November 22, 2017 pursuant to the Exchange Act (file number 001-36223)).
- 10.53† Form of Performance Stock Unit Award (Retirement Notice/2Y Vest) (incorporated by reference to Exhibit 10.74 to Aramark's Annual Report on Form 10-K filed with the SEC on November 22, 2017 pursuant to the Exchange Act (file number 001-36223)).

- 10.54† Form of Non-Qualified Stock Option Award (Retirement Notice/2Y Vest) (incorporated by reference to Exhibit 10.75 to Aramark's Annual Report on Form 10-K filed with the SEC on November 22, 2017 pursuant to the Exchange Act (file number 001-36223)).
- 10.55† Form of Non-Qualified Stock Option Award (incorporated by reference to Exhibit 10.93 to Aramark's Annual Report on Form 10-K filed with the SEC on November 26, 2019, pursuant to the Exchange Act (file number 001-36223)).
- 10.56† Form of Restricted Stock Unit Award (Time Vesting) (incorporated by reference to Exhibit 10.94 to Aramark's Annual Report on Form 10-K filed with the SEC on November 26, 2019, pursuant to the Exchange Act (file number 001-36223)).
- 10.57† Form of Performance Stock Unit Award (incorporated by reference to Exhibit 10.95 to Aramark's Annual Report on Form 10-K filed with the SEC on November 26, 2019, pursuant to the Exchange Act (file number 001-36223)).
- 10.58† Form of Schedule I to Performance Stock Unit Award (incorporated by reference to Exhibit 10.96 to Aramark's Annual Report on Form 10-K filed with the SEC on November 26, 2019, pursuant to the Exchange Act (file number 001-36223)).
- 10.59† Amended and Restated Form of Non-Qualified Stock Option Award dated July 16, 2020 between Aramark and John J. Zillmer (incorporated by reference to Exhibit 10.6 of Aramark's Current Report on Form 8-K filed with the SEC on July 17, 2020, pursuant to the Exchange Act (file number 001-36223)).
- 10.60† Amended and Restated Restricted Stock Unit Award (Time Vesting) dated July 16, 2020 between Aramark and John J. Zillmer (incorporated by reference to Exhibit 10.7 of Aramark's Current Report on Form 8-K filed with the SEC on July 17, 2020, pursuant to the Exchange Act (file number 001-36223)).
- 10.61† Amended and Restated Form of Performance Stock Unit Award dated July 16, 2020 between Aramark and John J. Zillmer (incorporated by reference to Exhibit 10.8 of Aramark's Current Report on Form 8-K filed with the SEC on July 17, 2020, pursuant to the Exchange Act (file number 001-36223)).
- 10.62† Amended and Restated Form of Non-Qualified Stock Option Award dated September 4, 2020 between Aramark and John J. Zillmer (incorporated by reference to Exhibit 10.104 to Aramark's Annual Report on Form 10-K filed with the SEC on November 24, 2020 pursuant to the Exchange Act (file number 001-36223)).
- 10.63† Form of Non-Qualified Stock Option Award (incorporated by reference to Exhibit 10.105 to Aramark's Annual Report on Form 10-K filed with the SEC on November 24, 2020 pursuant to the Exchange Act (file number 001-36223)).
- 10.64† Amended and Restated Form of Non-Qualified Stock Option Award dated September 4, 2020 between Aramark and John J. Zillmer (incorporated by reference to Exhibit 10.106 to Aramark's Annual Report on Form 10-K filed with the SEC on November 24, 2020 pursuant to the Exchange Act (file number 001-36223)).
- 10.65† Amended and Restated Restricted Stock Unit Award (Time Vesting) dated September 4, 2020 between Aramark and John J. Zillmer (incorporated by reference to Exhibit 10.107 to Aramark's Annual Report on Form 10-K filed with the SEC on November 24, 2020 pursuant to the Exchange Act (file number 001-36223)).
- 10.66† Form of Non-Qualified Stock Option Award (incorporated by reference to Exhibit 10.108 to Aramark's Annual Report on Form 10-K filed with the SEC on November 24, 2020 pursuant to the Exchange Act (file number 001-36223)).
- 10.67† Form of Restricted Stock Unit Award (Time Vesting) (incorporated by reference to Exhibit 10.109 to Aramark's Annual Report on Form 10-K filed with the SEC on November 24, 2020 pursuant to the Exchange Act (file number 001-36223)).
- 10.68† Form of Schedule I to Performance Stock Unit Award (ELC Grant) (incorporated by reference to Exhibit 10.82 to Aramark's Annual Report on Form 10-K filed with the SEC on November 23, 2021 pursuant to the Exchange Act (file number 001-36223)).
- 10.69† Form of Schedule I to Performance Stock Unit Award (ELT Grant) (incorporated by reference to Exhibit 10.83 to Aramark's Annual Report on Form 10-K filed with the SEC on November 23, 2021 pursuant to the Exchange Act (file number 001-36223)).
- 10.70† Form of Deferred Stock Unit Award under the Aramark 2013 Stock Incentive Plan (incorporated by reference to Exhibit 10.73 to Aramark's Form S-1/A filed with the SEC on November 19, 2013 (file number 333-191057)).
- 10.71† Form of Deferred Stock Unit Award Agreement under the Aramark 2013 Stock Incentive Plan (Revised) (incorporated by reference to Exhibit 10.77 to Aramark's Annual Report on Form 10-K filed with the SEC on December 3, 2014, pursuant to the Exchange Act (file number 001-36223)).
- 10.72† Form of Deferred Stock Unit Agreement under the Aramark 2013 Stock Incentive Plan (incorporated by reference to Exhibit 10.4 to Aramark's Quarterly Report on Form 10-Q filed with the SEC on May 13, 2015, pursuant to the Exchange Act (file number 001-36223)).
- 10.73† Form of Aircraft Timesharing Agreement (incorporated by reference to Exhibit 10.69 to Aramark's Annual Report on Form 10-K filed with the SEC on December 1, 2015, pursuant to the Exchange Act (file number 001-36223)).

- 10.74 Stewardship Framework Agreement by and between Aramark and MR BridgeStone Advisor LLC, on behalf of itself and its affiliated funds, dated October 6, 2019. (incorporated by reference to Exhibit 10.1 to Aramark's Current Report on Form 8-K filed with the SEC on October 7, 2019, pursuant to the Exchange Act (file number 001-36223)).
- 10.75 Letter Amendment to Stewardship Framework Agreement by and between Aramark and MR BridgeStone Advisor LLC, on behalf of itself and its affiliated funds, dated December 14, 2020 (incorporated by reference to Exhibit 10.3 to Aramark's Quarterly Report on Form 10-Q filed with the SEC on February 9, 2021, pursuant to the Exchange Act (file number 001-36223)).
- 10.76 Registration Rights Agreement, dated as of December 14, 2020, by and between MR BridgeStone Advisor LLC, on behalf of itself and its affiliated funds, and Aramark (incorporated by reference to Exhibit 10.1 to Aramark's Current Report on Form 8-K filed with the SEC on December 16, 2020, pursuant to the Exchange Act (file number 001-36223)).
- 10.77 Aramark 2021 Employee Stock Purchase Plan (incorporated by reference to Appendix B to the Company's Proxy Statement filed with the SEC on December 23, 2020 (file number 001-36223)).
- 10.78† Amendment Number One to the Aramark 2021 Employee Stock Purchase Plan effective November 7th, 2022 (incorporated by reference to Exhibit 10.87 to Aramark's Annual Report on Form 10-K filed with the SEC on November 22, 2022, pursuant to the Exchange Act (file number 001-36223)).
- 10.79† Form of ELT Stock Option Grant Agreement (incorporated by reference to Exhibit 10.88 to Aramark's Annual Report on Form 10-K filed with the SEC on November 22, 2022, pursuant to the Exchange Act (file number 001-36223)).
- 10.80† Form of ELT Restricted Stock Unit Grant Agreement (incorporated by reference to Exhibit 10.89 to Aramark's Annual Report on Form 10-K filed with the SEC on November 22, 2022, pursuant to the Exchange Act (file number 001-36223)).
- 10.81† Form of ELT Performance Stock Unit Grant Agreement (incorporated by reference to Exhibit 10.90 to Aramark's Annual Report on Form 10-K filed with the SEC on November 22, 2022, pursuant to the Exchange Act (file number 001-36223)).
- 10.82† Form of CEO Performance Stock Unit Grant Agreement (incorporated by reference to Exhibit 10.91 to Aramark's Annual Report on Form 10-K filed with the SEC on November 22, 2022, pursuant to the Exchange Act (file number 001-36223)).
- 10.83† Form of CEO Restrictive Stock Unit Grant Agreement (incorporated by reference to Exhibit 10.92 to Aramark's Annual Report on Form 10-K filed with the SEC on November 22, 2022, pursuant to the Exchange Act (file number 001-36223)).
- 10.84† Form of CEO Stock Option Grant Agreement (incorporated by reference to Exhibit 10.93 to Aramark's Annual Report on Form 10-K filed with the SEC on November 22, 2022, pursuant to the Exchange Act (file number 001-36223)).
- 10.85† Form of Schedule I to Performance Stock Units (incorporated by reference to Exhibit 10.94 to Aramark's Annual Report on Form 10-K filed with the SEC on November 22, 2022, pursuant to the Exchange Act (file number 001-36223)).
- 10.86† Letter Agreement, dated as of December 2, 2022 by and between Aramark and Lynn McKee (incorporated by reference to Exhibit 10.1 to Aramark's Current Report on Form 8-K filed with the SEC on December 5, 2022, pursuant to the Exchange Act (file number 001-36223)).
- 10.87† Aramark 2023 Stock Incentive Plan (incorporated by reference to Appendix A to Aramark's Definitive Proxy Statement filed with the SEC on December 23, 2022, pursuant to the Exchange Act (file number 001-36223)).
- 10.88† Form of Annual Deferred Stock Unit Grant Agreement under the Aramark 2023 Stock Incentive Plan (incorporated by reference to Exhibit 10.1 to Aramark's Quarterly Report on Form 10-Q filed with the SEC on May 9, 2023, pursuant to the Exchange Act (file number 001-36223)).
- 10.89† Form of Quarterly Deferred Retainer Grant Agreement under the Aramark 2023 Stock Incentive Plan (incorporated by reference to Exhibit 10.2 to Aramark's Quarterly Report on Form 10-Q filed with the SEC on May 9, 2023, pursuant to the Exchange Act (file number 001-36223)).
- 10.90† Amended and Restated Aramark Management Incentive Bonus Plan (incorporated by reference to Exhibit 10.3 to Aramark's Quarterly Report on Form 10-Q filed with the SEC on August 8, 2023, pursuant to the Exchange Act (file number 001-36223)).
- 10.91 Transition Services Agreement, dated as of September 29, 2023, by and between Aramark and Vestis Corporation (incorporated by reference to Exhibit 10.1 to Aramark's Current Report on Form 8-K filed with the SEC on October 2, 2023, pursuant to the Exchange Act (file number 001-36223)).
- 10.92 Tax Matters Agreement, dated as of September 29, 2023, by and between Aramark and Vestis Corporation (incorporated by reference to Exhibit 10.2 to Aramark's Current Report on Form 8-K filed with the SEC on October 2, 2023, pursuant to the Exchange Act (file number 001-36223)).

- 10.93† Employee Matters Agreement, dated as of September 29, 2023, by and between Aramark and Vestis Corporation (incorporated by reference to Exhibit 10.3 to Aramark's Current Report on Form 8-K filed with the SEC on October 2, 2023, pursuant to the Exchange Act (file number 001-36223)).
- 10.94*† Form of ELT Stock Option Grant Agreement (2023 Plan).
- 10.95*† Form of ELT RSU Grant Agreement (2023 Plan).
- 10.96*† Form of ELT PSU Grant Agreement (2023 Plan).
- 10.97*† Form of CEO Stock Option Grant Agreement (2023 Plan).
- 10.98*† Form of CEO RSU Grant Agreement (2023 Plan).
- 10.99*† Form of CEO PSU Grant Agreement (2023 Plan).
- 10.100*† Amended and Restated ELT PSUs 2022-2024 Schedule I.
- 10.101*† Amended and Restated ELC PSUs 2022-2024 Schedule I.
- 21.1* List of subsidiaries of Aramark.
- 23.1* Consent of Independent Registered Public Accounting Firm-Deloitte & Touche LLP.
- 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.
- 97*† Aramark Incentive Compensation Clawback Policy.
- 101 The following financial information from Aramark's Annual Report on Form 10-K for the period ended September 29, 2023 formatted in inline XBRL: (i) Consolidated Balance Sheets as of September 29, 2023 and September 30, 2022; (ii) Consolidated Statements of Income (Loss) for the fiscal years ended September 29, 2023, September 30, 2022 and October 1, 2021; (iii) Consolidated Statements of Comprehensive Income for the fiscal years ended September 29, 2023, September 30, 2022 and October 1, 2021; (iv) Consolidated Statements of Cash Flows for the fiscal years ended September 29, 2023, September 30, 2022 and October 1, 2021; (v) Consolidated Statements of Stockholders' Equity for the fiscal years ended September 29, 2023, September 30, 2022 and October 1, 2021; (vi) Notes to Consolidated Financial Statements; and (vii) Schedule II-Valuation and Qualifying Accounts and Reserves for the fiscal years ended September 29, 2023, September 30, 2022 and October 1, 2021
- 101.SCH* Inline XBRL Taxonomy Extension Schema Document
- 101.CAL* Inline XBRL Taxonomy Extension Calculation Linkbase Document
- 101.DEF* Inline XBRL Taxonomy Extension Definition Linkbase Document
- 101.LAB* Inline XBRL Taxonomy Extension Label Linkbase Document
- 101.PRE* Inline XBRL Taxonomy Extension Presentation Linkbase Document
- 104* Inline XBRL for the cover page of this Annual Report on Form 10-K; included in Exhibit 101 Inline XBRL document set.

* Filed herewith.

† Identifies exhibits that consist of management contract or compensatory arrangement.

These merger agreements are filed as exhibits to this Annual Report on Form 10-K to provide investors and security holders with information regarding their terms. They are not intended to provide any other factual or financial information about the Company, Avendra, AmeriPride or their respective subsidiaries and affiliates. The representations, warranties and covenants contained in each of the merger agreements were made only for purposes of that agreement and as of the date of such merger agreement or such other date as is specified in such merger agreement; were solely for the benefit of the parties to such merger agreement; have been qualified by confidential disclosures made for the purposes of allocating contractual risk between the parties to such merger agreement instead of establishing these matters as facts; and are subject to materiality qualifications contained in such merger agreement that may differ from what may be viewed as material by investors. Investors should not rely on the representations, warranties and covenants or any description thereof as characterizations of the actual state of facts or condition of the Company, Avendra, AmeriPride or any of their respective subsidiaries or affiliates. Moreover, information concerning the subject matter of the representations, warranties and covenants may change after the date of the merger agreements, which subsequent information may or may not be fully reflected in public disclosures by the Company. The merger agreements should not

be read alone but should instead be read in conjunction with the other information that is or will be included in reports and other filings that the Company files with the Securities and Exchange Commission.

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

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.

Annex A

Reconciliation of GAAP and Non-GAAP Financial Measures

The Company reports its financial results in accordance with GAAP. However, management believes that certain non-GAAP financial measures provide additional financial information that is meaningful and uses these measures to help evaluate operational results and make financial, operating and planning decisions. We believe these non-GAAP measures should be considered by investors and others when reviewing the Company's performance.

Selected Operational and Financial Metrics

Adjusted Revenue (Organic)

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

Adjusted Operating Income

Adjusted Operating Income represents operating income adjusted to eliminate the change in amortization of acquisition-related intangible assets; the impact of the change in fair value related to certain gasoline and diesel agreements; severance and other charges; the effect of certain material acquisitions; spin-off related charges and other items impacting comparability.

Adjusted Net Income

Adjusted Net Income represents net income attributable to Aramark stockholders adjusted to eliminate the change in amortization of acquisition-related intangible assets; the impact of changes in the fair value related to certain gasoline and diesel agreements; severance and other charges; the effect of certain material acquisitions; spin-off related charges; gain on sale of equity investments, net; loss on defined benefit pension plan termination; the effect of debt repayments and refinancings on interest and other financing costs, net, and other items impacting comparability, less the tax impact of these adjustments. The tax effect for adjusted net income for our United States earnings is calculated using a blended United States federal and state tax rate. The tax effect for adjusted net income in jurisdictions outside the United States is calculated at the local country tax rate.

Adjusted EPS

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

Adjusted EPS (Constant Currency)

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

Covenant Adjusted EBITDA

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

Net New Business

Net New Business is an internal statistical metric used to evaluate our new sales and retention performance. The calculation is defined as the annualized value of gross new business less the annualized value of lost business, excluding portfolio optimization in the Next Level business.

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

Aramark and Subsidiaries

RECONCILIATION OF NON-GAAP MEASURES

ADJUSTED REVENUE AND ADJUSTED OPERATING INCOME

(Unaudited) (\$ in thousands)

	Fiscal 2023	Fiscal 2022
Revenue (as reported)	\$18,853,857	\$16,326,624
Effect of Certain Acquisitions	(186,463)	—
Effect of Currency Translation	207,290	—
Adjusted Revenue (Organic)	\$18,874,684	\$16,326,624
Revenue Growth (as reported)	15.48 %	
Adjusted Revenue Growth (Organic)	15.61 %	
Operating Income (as reported)	\$862,926	\$628,365
Amortization of Acquisition-Related Intangible Assets	115,469	108,676
Severance and Other Charges	37,485	19,606
Effect of Certain Acquisitions	(8,631)	—
Spin-off Related Charges	51,104	9,309
Gains, Losses and Settlements impacting comparability	(23,550)	12,535
Adjusted Operating Income	\$1,034,803	\$778,491
Operating Income Growth (as reported)	37.33 %	
Adjusted Operating Income Growth	32.92 %	

Aramark and Subsidiaries

RECONCILIATION OF NON-GAAP MEASURES

NET DEBT TO COVENANT ADJUSTED EBITDA

(Unaudited) (\$ in thousands)

	Twelve Months Ended 9/29/23	Twelve Months Ended 9/30/22
Net Income Attributable to Aramark Stockholders (as reported)	\$674,108	\$194,484
Interest and Other Financing Costs, net	439,585	372,727
Provision for Income Taxes	177,614	61,461
Depreciation and Amortization	546,362	532,327
Share-based compensation expense ⁽¹⁾	86,938	95,487
Unusual or non-recurring (gains) and losses ⁽²⁾	(422,596)	—
Pro forma EBITDA for certain transactions ⁽³⁾	4,033	11,750
Other ⁽⁴⁾⁽⁵⁾	100,681	53,466
Covenant Adjusted EBITDA	<u>\$1,606,725</u>	<u>\$1,321,702</u>
Net Debt to Covenant Adjusted EBITDA		
Total Long-Term Borrowings ⁽⁶⁾	\$6,763,514	\$7,410,907
Less: Cash and cash equivalents and short-term marketable securities ⁽⁶⁾⁽⁷⁾	<u>573,853</u>	<u>407,656</u>
Net Debt	\$6,189,661	\$7,003,251
Covenant Adjusted EBITDA	<u>\$1,606,725</u>	<u>\$1,321,702</u>
Net Debt/Covenant Adjusted EBITDA	<u>3.9</u>	<u>5.3</u>

(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.

(2) The twelve months ended September 29, 2023 represents the fiscal 2023 gain from the sale of the Company's equity method investment in AIM Services, Co., Ltd. (\$377.1 million), the fiscal 2023 gain from the sale of the Company's equity investment in a foreign company (\$51.8 million), the fiscal 2023 non-cash charge for the impairment of certain assets related to a business that was sold (\$5.2 million) and the fiscal 2023 loss from the sale of a portion of the Company's equity investment in the San Antonio Spurs NBA franchise (\$1.1 million).

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

(4) "Other" for the twelve months ended September 29, 2023 includes the reversal of contingent consideration liabilities related to acquisition earn outs, net of expense (\$85.7 million), charges related to the Company's spin-off of the Uniform segment (\$51.1 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 (\$47.5 million), net severance charges (\$37.5 million), non-cash charges for the impairment of operating lease right-of-use assets and property and equipment related to certain real estate properties (\$29.3 million), income related to non-United States governmental wage subsidies (\$12.5 million), the impact of hyperinflation in Argentina (\$10.4 million), non-cash charges related to information technology assets (\$8.2 million), the gain from the sale of land (\$6.8 million), net multiemployer pension plan withdrawal charges (\$5.9 million), labor charges and other expenses associated with closed or partially closed locations from adverse weather (\$5.4 million), legal settlement charges (\$2.7 million), non-cash charges for inventory write-downs (\$2.6 million), the gain from the change in fair value related to certain gasoline and diesel agreements (\$1.9 million) and other miscellaneous expenses.

(5) "Other" for the twelve months ended September 30, 2022 includes 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 (\$34.8 million), non-cash charges for inventory write-downs to net realizable value and fixed asset write-offs related to personal protective equipment (\$20.5 million), severance charges (\$19.6 million), United States and non-United States governmental labor related tax credits resulting from the COVID-19 pandemic (\$17.3 million), the reversal of contingent consideration liabilities related to acquisition earn outs, net of expense (\$15.1 million), the favorable impact related to a client contract dispute (\$9.6 million), charges related to the Company's spin-off of the Uniform segment (\$9.3 million), favorable adjustments for the EBITDA impact attributable to equity investments that are permitted in the calculation in accordance with the Credit Agreement and indentures, primarily from the Company's previous ownership interest in AIM Services Co., Ltd. (\$8.4 million), the gain from a funding agreement related to a legal matter (\$6.5 million), the loss from the change in fair value related to certain gasoline and diesel agreements (\$6.4 million), the gain from insurance proceeds received related to property damage from a tornado in Nashville (\$4.0 million), the impact of hyperinflation in Argentina (\$3.5 million), due diligence charges related to acquisitions (\$2.5 million) and other miscellaneous expenses.

(6) "Total Long-Term Borrowings" and "Cash and cash equivalents and short term marketable securities" excludes both the outstanding liability and the related cash proceeds resulting from the \$1.5 billion of new term loans borrowed by the Uniform Services business in anticipation of the spin-off which occurred on September 30, 2023.

(7) Short-term marketable securities represent held-to-maturity debt securities with original maturities greater than three months, which are maturing within one year and will convert back to cash. Short-term marketable securities are included in "Prepayments and other current assets" on the Consolidated Balance Sheets.

Aramark and Subsidiaries

RECONCILIATION OF NON-GAAP MEASURES

ADJUSTED NET INCOME AND ADJUSTED EARNINGS PER SHARE

(Unaudited) (\$ in thousands)

	Fiscal 2023	Fiscal 2022
Net Income Attributable to Aramark Stockholders (as reported)	\$674,108	\$194,484
Adjustment:		
Amortization of Acquisition-Related Intangible Assets	115,469	108,676
Severance and Other Charges	37,485	19,606
Effect of Certain Acquisitions	(8,631)	—
Spin-off Related Charges	51,104	9,309
Gains, Losses and Settlements impacting comparability	(23,550)	12,535
Gain on Sale of Equity Investments, net	(427,803)	—
Loss on Defined Benefit Pension Plan Termination	—	3,644
Effect of Debt Repayments and Refinancings on Interest and Other Financing Costs, net	2,522	—
Effect of Tax Legislation on Provision for Income Taxes	—	(4,233)
Tax Impact of Adjustments to Adjusted Net Income	25,390	(44,968)
Adjusted Net Income	<u>446,094</u>	<u>299,053</u>
Effect of Current Translation, net of Tax	7,984	—
Adjusted Net Income (Constant Currency)	<u>\$454,078</u>	<u>\$299,053</u>
Earnings Per Share (as reported)		
Net Income Attributable to Aramark Stockholders (as reported)	\$674,108	\$194,484
Diluted Weighted Average Shares Outstanding	<u>262,594</u>	<u>259,074</u>
	<u>\$2.57</u>	<u>\$0.75</u>
Earnings Per Share Growth (as reported) %	<u>243 %</u>	
Adjusted Earnings Per Share		
Adjusted Net Income	\$446,094	\$299,053
Diluted Weighted Average Shares Outstanding	<u>262,594</u>	<u>259,074</u>
	<u>\$1.70</u>	<u>\$1.15</u>
Adjusted Earnings Per Share Growth %	<u>48 %</u>	
Adjusted Earnings Per Share (Constant Currency)		
Adjusted Net Income (Constant Currency)	\$454,078	\$299,053
Diluted Weighted Average Shares Outstanding	<u>262,594</u>	<u>259,074</u>
	<u>\$1.73</u>	<u>\$1.15</u>
Adjusted Earnings Per Share Growth (Constant Currency) %	<u>50 %</u>	

CORPORATE INFORMATION

Executive Officers

John J. Zillmer
Chief Executive Officer

Thomas G. Ondrof*
Executive Vice President
and Chief Financial Officer

Marc A. Bruno
Chief Operating Officer,
U.S. Food and Facilities

Lauren A. Harrington
Senior Vice President,
General Counsel

Abigail A. Charpentier
Senior Vice President,
Chief Human Resources
Officer

Board of Directors

Stephen I. Sadove
Chairman of the Board
Former Chairman and CEO,
Saks Incorporated

John J. Zillmer
Chief Executive Officer,
Aramark

Susan M. Cameron
Former Chairman and
Chief Executive Officer,
Reynolds American Inc.

Greg Creed
Former Chief Executive Officer,
Yum! Brands

Bridgette P. Heller
Founder and
Chief Executive Officer,
The Shirley Procter
Puller Foundation

Kenneth M. Keverian
Former Chief Strategy Officer,
IBM Corporation

Karen M. King
Former Executive Vice President
and Chief Field Officer,
McDonald's Corporation

Patricia E. Lopez
Former Chief Executive Officer,
High Ridge Brands Co.

Kevin G. Wills
Chief Financial Officer,
Authentic Brands Group

Arthur B. Winkleblack
Former Executive Vice President
and Chief Financial Officer,
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Auditor

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*Thomas G. Ondrof will retire from the Company effective January 12, 2024. James J. Tarangelo has been named Senior Vice President and Chief Financial Officer, effective January 13, 2024.



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