



First Quarter 2024 Results

February 7, 2024



Forward Looking Statement

This presentation contains “forward-looking statements” within the meaning of the securities laws. All statements that reflect our expectations, assumptions or projections about the future, other than statements of historical fact, are forward-looking statements, including, without limitation, forecasts relating to discussions of future operations and financial performance and statements regarding our strategy for growth, future product development, regulatory approvals, competitive position and expenditures. In some cases, forward-looking statements can be identified by words such as “2024 Outlook,” “aim,” “anticipate,” “are or remain or continue to be confident,” “have confidence,” “estimate,” “expect,” “will be,” “will continue,” “will likely result,” “project,” “intend,” “plan,” “believe,” “see,” “look to” and other words and terms of similar meaning or the negative versions of such words. These forward-looking statements are subject to risks and uncertainties that may change at any time, and actual results or outcomes may differ materially from those that we expected. Forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties, and changes in circumstances that are difficult to predict including, but not limited to: unfavorable economic conditions; increases in fuel and energy costs; the failure to retain current customers, renew existing customer contracts and obtain new customer contracts; natural disasters, global calamities, climate change, pandemics, strikes and other adverse incidents; increased operating costs and obstacles to cost recovery due to the pricing and cancellation terms of our support services contracts; a determination by our customers to reduce their outsourcing or use of preferred vendors; risks associated with suppliers from whom our products are sourced; challenge of contracts by our customers; our expansion strategy and our ability to successfully integrate the businesses we acquire and costs and timing related thereto; currency risks and other risks associated with international operations; our inability to hire and retain key or sufficient qualified personnel or increases in labor costs; continued or further unionization of our workforce; liability resulting from our participation in multiemployer-defined benefit pension plans; liability associated with noncompliance with applicable law or other governmental regulations; laws and governmental regulations including those relating to the environment, wage and hour and government contracting; increases or changes in income tax rates or tax-related laws; new interpretations of or changes in the enforcement of the government regulatory framework; a cybersecurity incident or other disruptions in the availability of our computer systems or privacy breaches; stakeholder expectations relating to environmental, social and governance considerations; the expected benefits of the separation from Aramark and the risk that conditions to the separation will not be satisfied; the risk of increased costs from lost synergies; retention of existing management team members as a result of the separation from Aramark; reaction of customers, employees and other parties to the separation from Aramark, and the impact of the separation on our business; our leverage and ability to meet debt obligations; any failure by Aramark to perform its obligations under the various separation agreements entered into in connection with the separation and distribution; a determination by the IRS that the distribution or certain related transactions are taxable; and the timing and occurrence (or non-occurrence) of other transactions, events and circumstances which may be beyond our control. The above list of factors is not exhaustive or necessarily in order of importance. For additional information on identifying factors that may cause actual results to vary materially from those stated in forward-looking statements, see Vestis’ filings with the Securities and Exchange Commission. Any forward-looking statement speaks only as of the date on which it is made, and we assume no obligation to update or revise such statement, whether as a result of new information, future events or otherwise, except as required by applicable law.

Q1 2024 Highlights

- **Delivered solid, high-quality revenue growth**
 - Revenue mix continues to improve through growth in Workplace Supplies and moderation in Uniforms Direct Sales
 - Excluding the impact of Fx and the temporary energy fee, revenue grew 4.5% with a balanced contribution from volume and price on an underlying basis
- **Expanded Adjusted EBITDA margin**
 - Delivered margin expansion through a disciplined focus on high-quality growth and delivery of operations and logistics initiatives
 - Absorbed ~\$3M in incremental public company costs
- **Reaffirming FY24 guidance²**
 - Continue to expect revenue growth of 4.0-4.5% and adjusted EBITDA margin of ~14.3%



All comparisons are year-over-year. Prior year financials are on a carve-out basis. See Appendix for definitions. 1) See appendix for reconciliation of GAAP to non-GAAP financial measures. 2) Refer to Forward Looking Non-GAAP Information in the Appendix.

Revenue
\$718M
+2.5%

Adjusted EBITDA Margin¹
13.7%
+60 bps

Adjusted Diluted EPS¹
\$0.22

Continuing to Advance Vestis' Strategic Plan

High-Quality Growth

Prioritize highest margin growth in the base and targeted, high-quality new growth

- ✓ Workplace supplies growth of ~4% in 1Q24
- ✓ ~25% increase in routes with sales activity versus Q1 FY23
- ✓ Lower mix of direct sale revenue delivers improved margin (negatively impacts Uniforms growth by 83 bps and consolidated growth by 48 bps)

Disciplined Capital Allocation

Seek to operate within a target net leverage range, maintain a flexible financial position and invest in high return opportunities

- ✓ Delivering growth against strategic plan with ~3% capex investment
- ✓ Refinancing of 2-year Term Loan in process
- ✓ Net debt leverage down from 3.95x to 3.85x



Efficient Operations

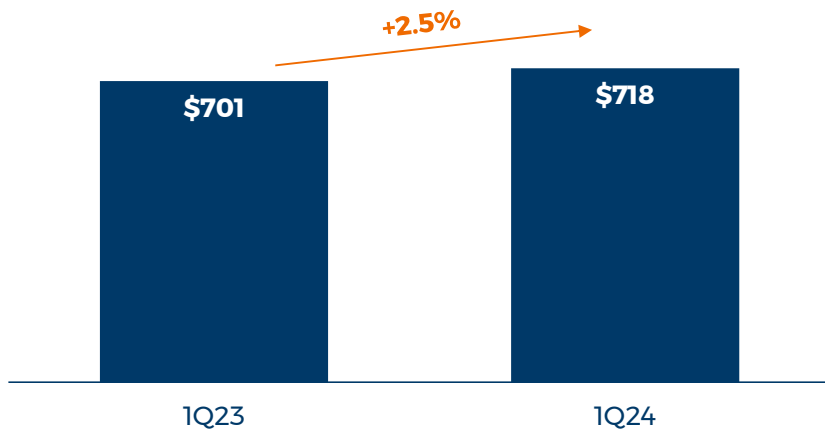
Enhance workforce productivity, optimize network | logistics, and strategically manage costs and merchandise inventory

- ✓ Gaining momentum in Logistics as we deliver density and cost out; 13 optimization events already completed in 1Q24 vs 26 in FY23 full year
- ✓ Organizational effectiveness aids in absorbing incremental public company costs
- ✓ Inventory re-use program gaining traction with approximately 80% of target facilities delivering year-over-year improvements in used fill rate

FINANCIAL RESULTS

Q1 2024 Revenue

(\$ millions, except where noted)



- Q1 2024 revenue growth was aligned with our strategy to focus on high-quality growth with existing customers
- Delivered solid growth despite challenging comparison due to temporary energy fee in Q1 2023, which had an ~200 bps YoY unfavorable impact on growth



All comparisons are year-over-year. Prior year financials are on a carve-out basis. See Appendix for definitions.

U.S.
\$653M
+2%



Canada
\$65M
+3%

**Workplace
Supplies**
\$418M
+4%

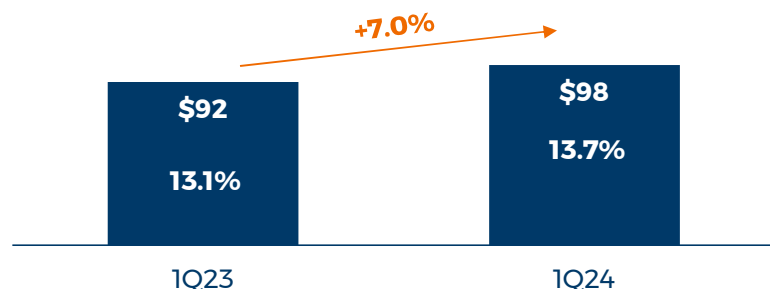


Uniforms
\$300M
+0.2%

Q1 2024 Profitability

(\$ millions)

Consolidated Adjusted EBITDA¹ & Margin



U.S. & Canada Adjusted EBITDA¹ & Margin

	U.S.			Canada		
	1Q24	1Q23	Change	1Q24	1Q23	Change
Adj. EBITDA	\$106	\$94	13%	\$9	\$10	(5)%
Adj. EBITDA Margin	16.3%	14.7%	160 bps	14.5%	15.7%	(120) bps

- Continued to deliver operating leverage from revenue growth with existing customers
- Strong profitability in the quarter more than outpaced the impact of incremental public company costs
- U.S. profitability driven by operating leverage on positive revenue growth and mix as well as momentum from operational efficiencies
- Canada profitability impacted by strategic investment in new merchandise for customer satisfaction and higher-than-normal fleet maintenance costs

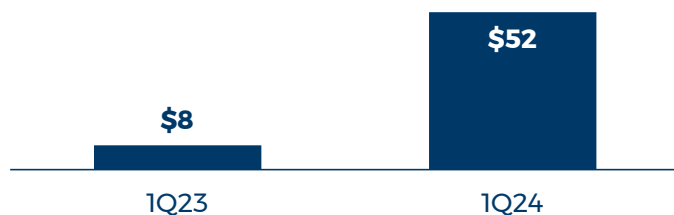


All comparisons are year-over-year. Prior year financials are on a carve-out basis. See Appendix for definitions. 1) See appendix for reconciliation of GAAP to non-GAAP financial measures.

Liquidity and Capital Structure

(\$ millions)

Operating Cash



Capital Expenditures



Free Cash Flow⁽¹⁾



All comparisons are year-over-year. Prior year financials are on a carve-out basis. See Appendix for definitions. 1) See appendix for reconciliation of GAAP to non-GAAP financial measures.

Capital Structure at December 29, 2023

	Tenor	Amount
Capital Lease Obligations	various	\$ 136
\$300M Revolving Credit Facility	5 years	-
Term Loan A-1 (SOFR +2.25%)	2 years	800
Term Loan A-2 (SOFR +2.25%)	5 years	691
Debt		\$ 1,627
Cash and Cash Equivalents		\$49
Net Debt		\$ 1,578

- Net leverage of 3.85x | targeting an optimal net leverage range of 1.5x to 2.5x by FY26
- Refinancing of the 2-year Term Loan in process
- Available cash of \$49M and capacity on our revolver of \$295M (~\$5M of LCs outstanding)
- Continue to expect \$25M in cash costs for rebranding over the next two years

Reaffirm Fiscal 2024 Outlook

Revenue Growth	4.0% to 4.5%
Adjusted EBITDA Margin	~14.3% (+50 to 60 bps)²

Modeling Assumptions

Depreciation & Amortization	\$130 million to \$140 million
Interest Expense	\$115 million to \$120 million
Effective Tax Rate	25% to 27%
Shares Outstanding	~131 million
Free Cash Flow Conversion	100% of net income
CapEx	~3% of revenue
Cash Dividends	~\$14 million



See Appendix for a discussion of forward-looking non-GAAP information and for definitions of non-GAAP measures

1) Normalized revenue growth guidance of 5.0% to 5.5% in FY24 reflects an adjustment to FY23 to eliminate approximately \$26M of temporary energy fee revenue realized in FY23. 2) 50 to 60 bps of Adj. EBITDA Margin expansion before \$15 to \$18 million of incremental public company costs

- Expect to deliver revenue growth of **5.0 to 5.5%¹** when normalized for the temporary energy fee taken in FY23
- Expect to deliver **~50 to 60 bps** of adjusted EBITDA margin expansion offset by \$15 to \$18 million of incremental public company costs



Q&A

APPENDIX



Non-GAAP Definitions

This presentation could include certain non-GAAP financial measures, such as Adjusted Revenue Growth (Organic), Adjusted Revenue (Organic), Adjusted Revenue Growth excluding Temporary Energy Fee, Adjusted Revenue excluding Temporary Energy Fee, Adjusted Operating Income, Adjusted Operating Income Margin, Adjusted EBITDA, Adjusted EBITDA Margin, Free Cash Flow, Net Debt, Net Leverage, and Trailing Twelve Months Adjusted EBITDA. Vestis utilizes these measures when monitoring and evaluating operating performance. The non-GAAP financial measures presented herein are supplemental measures of Vestis' performance that Vestis believes help investors because they enable better comparisons of Vestis' historical results and allow Vestis' investors to evaluate its performance based on the same metrics that Vestis uses to evaluate its performance and trends in its results. Vestis' presentation of these metrics has limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of Vestis' results as reported under U.S. GAAP. Because of their limitations, these non-GAAP financial measures should not be considered as measures of cash available to Vestis to invest in the growth of Vestis' business or that will be available to Vestis to meet its obligations. Vestis compensates for these limitations by using these non-GAAP financial measures along with other comparative tools, together with U.S. GAAP financial measures, to assist in the evaluation of operating performance. You should not consider these measures as alternatives to revenue, operating income, operating income margin, net income, net income margin or net cash provided by operating activities determined in accordance with U.S. GAAP. Vestis believes that these non-GAAP financial measures, in addition to the corresponding U.S. GAAP financial measures, are important supplemental measures which exclude non-cash or other items that may not be indicative of or are unrelated to Vestis' core operating results and the overall health of Vestis. Non-GAAP financial measures as presented by Vestis may not be comparable to other similarly titled measures of other companies because not all companies use identical calculations.

Adjusted Revenue Growth (Organic)

Adjusted Revenue Growth (Organic) measures our revenue growth trends excluding the impact of acquisitions and foreign currency, and we believe it is useful for investors to understand growth through internal efforts. We define "organic revenue growth" as the growth in revenues, excluding (i) acquisitions, (ii) the impact of foreign currency exchange rate changes, and (iii) the impact of the 53rd week, when applicable.

Adjusted Revenue (Organic)

Adjusted Revenue (Organic) represents revenue as determined in accordance with U.S. GAAP, adjusted to exclude (i) acquisitions, (ii) the impact of foreign currency exchange rate changes, and (iii) the impact of the 53rd week, when applicable.

Adjusted Revenue Growth excluding Temporary Energy Fee

We define "adjusted revenue growth excluding temporary energy fee" as the growth in revenues, excluding (i) acquisitions, (ii) the impact of foreign currency exchange rate changes, (iii) the impact of the 53rd week, when applicable and (iv) the impact of the temporary energy fee in the fourth quarter of fiscal 2022. We believe it is useful for investors to understand growth through internal efforts.

Adjusted Revenue excluding Temporary Energy Fee

Adjusted Revenue excluding Temporary Energy Fee represents revenue as determined in accordance with U.S. GAAP, adjusted to exclude (i) acquisitions, (ii) the impact of foreign currency exchange rate changes, (iii) the impact of the 53rd week, when applicable, and (iv) the impact of the temporary energy fee in the fourth quarter of fiscal 2022.

Adjusted Operating Income

Adjusted Operating Income represents Operating Income adjusted for Amortization Expense of Acquired Intangibles; Share-based Compensation Expense; Severance and Other Charges; Merger and Integration Related Charges; Management Fee; Separation Related Charges; Estimated Impact of 53rd Week, when applicable; and Gain, Losses, Settlements and Other Items impacting comparability. Adjusted results are presented in order to reflect the results in a manner that allows a better understanding of operational activities separate from the financial impact of decisions made for the long-term benefit of the company and other items impacting comparability between periods. Similar adjustments have been recorded in earlier periods and similar types of adjustments can reasonably be expected to be recorded in future periods.

Adjusted Operating Income Margin

Adjusted Operating Income Margin represents Adjusted Operating Income as a percentage of Revenue.

Adjusted EBITDA

Adjusted EBITDA represents Net Income adjusted for Provision for Income Taxes; Interest Expense and Other, net; and Depreciation and Amortization (EBTIDA), further adjusted for Share-based Compensation Expense; Severance and Other Charges; Merger and Integration Charges; Management Fee; Separation Related Charges; Estimated Impact of 53rd Week (when applicable); Gains, Losses, Settlements; and other items impacting comparability. Adjusted results are presented in order to reflect the results in a manner that allows a better understanding of operational activities separate from the financial impact of decisions made for the long-term benefit of the company and other items impacting comparability between periods. Similar adjustments have been recorded in earlier periods and similar types of adjustments can reasonably be expected to be recorded in future periods.



Non-GAAP Definitions (continued)

Adjusted EBITDA Margin

Adjusted EBITDA Margin is Adjusted EBITDA as a percentage of Revenue.

Free Cash Flow

Free Cash Flow represents Net cash provided by operating activities adjusted for Purchases of Property and Equipment and Other and Disposals of property and equipment.

Net Debt

Net Debt represents total principal debt outstanding and finance lease obligations, less cash and cash equivalents.

Net Leverage

Net Leverage represents Net Debt divided by the Trailing Twelve Months Adjusted EBITDA.

Trailing Twelve Months Adjusted EBITDA

Trailing Twelve Months Adjusted EBITDA represents Adjusted EBITDA for the preceding four fiscal quarters.

Forward Looking Non-GAAP Information

This presentation includes certain non-GAAP financial information that is forward-looking in nature, including without limitation annual revenue growth and adjusted EBITDA margin. Vestis believes that a quantitative reconciliation of such forward-looking information to the most comparable financial measure calculated and presented in accordance with GAAP cannot be made available without unreasonable efforts. A reconciliation of these non-GAAP financial measures would require Vestis to predict the timing and likelihood of among other things future acquisitions and divestitures, restructurings, asset impairments, other charges and other factors not within Vestis' control. Neither these forward-looking measures, nor their probable significance, can be quantified with a reasonable degree of accuracy. Accordingly, the most directly comparable forward-looking GAAP measures are not provided. Forward-looking non-GAAP financial measures provided without the most directly comparable GAAP financial measures may vary materially from the corresponding GAAP financial measures. The estimates of revenue growth for fiscal year 2024 and adjusted EBITDA margin for fiscal year 2024 do not attempt to forecast currency fluctuations and, accordingly, reflect an assumption of constant currency.

Non-GAAP Reconciliations / 1Q 2024 and 1Q 2023

(In millions)

	United States		Canada		Corporate		Consolidated	
	Three Months Ended		Three Months Ended		Three Months Ended		Three Months Ended	
	December 29,	December 30,	December 29,	December 30,	December 29,	December 30,	December 29,	December 30,
	2023	2022	2023	2022	2023	2022	2023	2022
Revenue (as reported)	\$ 653.2	\$ 637.7	\$ 64.7	\$ 63.0			\$ 717.9	\$ 700.7
Effect of Currency Translation on Current Year Revenue	—	—	0.2	—			0.2	—
Adjusted Revenue (Organic)	\$ 653.2	\$ 637.7	\$ 64.9	\$ 63.0			\$ 718.1	\$ 700.7
Temporary Energy Fee	—	13.3	—	—			—	13.3
Adjusted Revenue excluding Temporary Energy Fee	\$ 653.2	\$ 624.4	\$ 64.9	\$ 63.0			\$ 718.1	\$ 687.4
Revenue Growth (as reported)	2.4 %	6.1 %	2.7 %	5.4 %			2.5 %	6.0 %
Adjusted Revenue Growth (Organic)	2.4 %	6.1 %	3.0 %	13.7 %			2.5 %	6.8 %
Adjusted Revenue Growth excluding Temporary Energy Fee	4.6 %	3.8 %	3.0 %	13.7 %			4.5 %	4.7 %
Operating Income (as reported)	\$ 74.1	\$ 63.8	\$ 4.6	\$ 5.4	\$ (31.1)	\$ (24.8)	\$ 47.6	\$ 44.4
Amortization Expense	6.4	6.4	0.1	0.1	—	—	6.5	6.5
Share-Based Compensation	—	—	—	—	4.7	4.5	4.7	4.5
Severance and Other Charges	0.4	—	—	—	—	—	0.4	—
Separation Related Charges	—	—	—	—	9.0	3.5	9.0	3.5
Management Fee	(1.9)	(1.9)	1.9	1.9	—	—	—	—
Gain, Losses, and Settlements	1.3	0.7	—	—	—	5.1	1.3	5.8
Total Operating Income Adjustments	\$ 6.2	\$ 5.2	\$ 2.0	\$ 2.0	\$ 13.7	\$ 13.1	\$ 21.9	\$ 20.3
Adjusted Operating Income (Non-GAAP)	\$ 80.3	\$ 69.0	\$ 6.6	\$ 7.4	\$ (17.4)	\$ (11.7)	\$ 69.5	\$ 64.7
Depreciation Expense	26.0	24.7	2.8	2.5	0.1	0.1	28.9	27.3
Adjusted EBITDA (Non-GAAP)	\$ 106.3	\$ 93.7	\$ 9.4	\$ 9.9	\$ (17.3)	\$ (11.6)	\$ 98.4	\$ 92.0
Operating Income Margin (as reported)	11.3 %	10.0 %	7.1 %	8.6 %			6.6 %	6.3 %
Adjusted Operating Income Margin (Non-GAAP)	12.3 %	10.8 %	10.2 %	11.8 %			9.7 %	9.2 %
Adjusted EBITDA Margin (Non-GAAP)	16.3 %	14.7 %	14.5 %	15.7 %			13.7 %	13.1 %

Non-GAAP Reconciliations / 1Q 2024 and 1Q 2023 (Continued)

(In millions, except per share information)

	Consolidated	
	Three Months Ended	
	December 29, 2023	December 30, 2022
Net Income (as reported)	\$ 12.3	\$ 33.5
Operating Income Adjustments (Above)	21.9	20.3
Tax Impact of Operating Income Adjustments	(5.6)	(5.3)
Adjusted Net Income (Non-GAAP)	\$ 28.6	\$ 48.5
Basic weighted-average shares outstanding (millions)	131.4	130.7
Diluted weighted-average shares outstanding (millions)	131.7	130.7
Basic Earnings Per Share	\$ 0.09	\$ 0.26
Diluted Earnings Per Share	\$ 0.09	\$ 0.26
Adjusted Basic Earnings Per Share	\$ 0.22	\$ 0.37
Adjusted Diluted Earnings Per Share	\$ 0.22	\$ 0.37

Non-GAAP Reconciliations / Trailing Twelve Months Adjusted EBITDA

(\$ millions)

Operating Income for the fiscal year ended September 29, 2023 (as reported in the Company's Form 10-K)	\$	217.9
Amortization Expense		26.0
Share-Based Compensation		14.5
Severance and Other Charges		4.9
Separation Related Charges		31.1
Gain, Losses, and Settlements		(0.8)
Depreciation Expense		110.3
Trailing Twelve Months Adjusted EBITDA for the period ended September 29, 2023 (Non-GAAP)	\$	403.9
Less Adjusted EBITDA (Non-GAAP) for the quarter ended December 30, 2022		(92.0)
Plus Adjusted EBITDA (Non-GAAP) for the quarter ended December 29, 2023		98.4
Trailing Twelve Months Adjusted EBITDA for the period ended December 29, 2023 (Non-GAAP)	\$	410.3

Non-GAAP Reconciliations / Free Cash Flow, Net Debt, Net Leverage

(\$ millions)

	Three Months Ended	
	December 29, 2023	December 30, 2022
Net cash provided by operating activities	\$ 51.5	\$ 8.0
Purchases of property and equipment and other	(16.9)	(13.7)
Disposals of property and equipment	—	0.7
Free Cash Flow (Non-GAAP)	<u>\$ 34.6</u>	<u>\$ (5.0)</u>

	As of	
	December 29, 2023	September 29, 2023
Total principal debt outstanding	\$ 1,491.3	\$ 1,500.0
Finance lease obligations	135.8	132.9
Less: Cash and cash equivalents	(48.9)	(36.1)
Net Debt (Non-GAAP)	<u>\$ 1,578.2</u>	<u>\$ 1,596.8</u>
Net Leverage (Non-GAAP)	<u>3.85</u>	<u>3.95</u>

	Twelve months ended	
	December 29, 2023	September 29, 2023
Trailing Twelve Months Adjusted EBITDA (Non-GAAP)	\$ 410.3	\$ 403.9