

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): February 26, 2022**

**UNIFIRST CORPORATION**  
**(Exact name of registrant as specified in its charter)**

**Massachusetts**  
**(State or other jurisdiction**  
**of incorporation)**

**001-08504**  
**(Commission File Number)**

**04-2103460**  
**(IRS Employer**  
**Identification No.)**

**68 Jonspin Road, Wilmington, Massachusetts**  
**(Address of Principal Executive Offices)**

**01887**  
**(Zip Code)**

**Registrant's Telephone Number, Including Area Code: (978) 658-8888**

**Not Applicable**  
**(Former Name or Former Address, if Changed Since Last Report)**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instructions A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

| <b>Title of each class</b>               | <b>Trading symbol(s)</b> | <b>Name of each exchange on which registered</b> |
|--|--------------------------|--|
| Common Stock, \$0.10 par value per share | UNF                      | New York Stock Exchange                          |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

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.

## Item 2.02 Results of Operations and Financial Condition.

On March 30, 2022, UniFirst Corporation (the "Company") issued a press release ("Press Release") announcing financial results for the second quarter of fiscal 2022, which ended on February 26, 2022. A copy of the Press Release is attached as Exhibit 99 to this Current Report on Form 8-K and is incorporated herein by reference.

The information in this Item 2.02, including the exhibit attached hereto, shall not be deemed "filed" for any purpose, including for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, regardless of any general incorporation language in such filing.

## Item 9.01 Financial Statements and Exhibits.

### (d) Exhibits

| <u>Exhibit Number</u> | <u>Description</u>   |
|-----------------------|--|
| 99                    | <a href="#">Press release of the Company dated March 30, 2022</a>            |
| 104                   | Cover Page Interactive Data File (embedded within the Inline XBRL document). |

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## SIGNATURES

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

UNIFIRST CORPORATION

Date: March 30, 2022

By: /s/ Steven S. Sintros

\_\_\_\_\_  
Steven S. Sintros

President and Chief Executive Officer

By: /s/ Shane O'Connor

\_\_\_\_\_  
Shane O'Connor

Executive Vice President and Chief Financial Officer

**Investor Relations Contact**

Shane O'Connor, Executive Vice President &amp; CFO

UniFirst Corporation

978-658-8888

[shane\\_oconnor@unifirst.com](mailto:shane_oconnor@unifirst.com)**FOR IMMEDIATE RELEASE****UNIFIRST ANNOUNCES FINANCIAL RESULTS FOR THE SECOND QUARTER OF FISCAL 2022**

**Wilmington, MA – March 30, 2022** – UniFirst Corporation (NYSE: UNF) (the “Company,” “UniFirst” or “we”) today reported results for its second quarter ended February 26, 2022 as compared to the corresponding period in the prior fiscal year:

**Q2 2022 Financial Highlights**

- Consolidated revenues for the second quarter increased 8.2% to \$486.7 million.
- Operating income was \$22.6 million, a decrease of 44.4%.
- The quarterly tax rate decreased to 19.0% compared to 22.7% in the prior year.
- Net income decreased to \$18.5 million, or 43.4%.
- Diluted earnings per share decreased to \$0.97 from \$1.71 in the prior year, or 43.3%.

The Company’s financial results for the second quarter of fiscal 2022 included \$6.7 million of costs directly attributable to its CRM, ERP and branding initiatives (the “Key Initiatives”). Excluding these Key Initiative costs:

- Adjusted operating income was \$29.4 million.
- Adjusted net income was \$23.5 million.
- Adjusted diluted earnings per share was \$1.24.

Steven Sintros, UniFirst President and Chief Executive Officer, said, “Our second quarter results reflect a strong top-line performance as well as a margin trend that was largely in-line with our expectations while also reflecting continued inflationary pressure. I want to thank our thousands of Team Partners who, despite a challenging operating environment, continue to *Always Deliver* for each other and our customers.”

**Segment Reporting Highlights**Core Laundry Operations

- Revenues for the quarter increased 8.7% to \$433.1 million.
- Organic growth, which excludes the effect of acquisitions and fluctuations in the Canadian dollar, was 8.0%
- Operating margin decreased to 4.3% from 8.9%.

The costs incurred during the quarter related to the Key Initiatives, discussed above, were recorded to the Core Laundry Operations’ segment. Excluding these Key Initiative costs:

- Core Laundry adjusted operating margin was 5.9%. The decrease from prior year’s operating margin was primarily due to higher merchandise amortization, energy and travel costs as a percentage of revenues as well as increased costs to hire and retain employees due to the challenging employment environment.

Specialty Garments

- Revenues for the quarter were \$35.5 million, an increase of 0.9%. This increase was driven by growth in the cleanroom and European nuclear operations which was partially offset by higher direct sale activity in the prior year.
- Operating margin decreased to 10.8% from 14.9% a year ago, primarily due to higher gross margin on its prior year direct sales as well as higher labor costs as a percentage of revenues.
- Specialty Garments consists of nuclear decontamination and cleanroom operations, and its results can vary significantly due to seasonality and the timing of reactor outages and projects.

**Balance Sheet and Capital Allocation**

- Cash, cash equivalents and short-term investments totaled \$425.9 million as of February 26, 2022.
  - The Company had no long-term debt outstanding as of February 26, 2022.
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- Under its previously announced stock repurchase authorization, the Company repurchased 52,500 shares of common stock for \$10.0 million in the second quarter of fiscal 2022. As of February 26, 2022, the Company has \$87.3 million remaining under its current authorization.
- Weighted average shares outstanding – Diluted for each of the second quarters of fiscal 2022 and fiscal 2021 were 19.0 million.

## Financial Outlook

Mr. Sintros continued, “We now expect revenues for fiscal 2022 to be between \$1.967 billion and \$1.980 billion. We further expect diluted earnings per share to be between \$5.62 and \$5.82. This earnings per share guidance assumes an effective tax rate of 24.0% and now includes a revised estimate of \$30.0 million of costs directly attributable to our Key Initiatives that will be expensed in fiscal 2022. Please also note the following regarding our guidance:

- Core Laundry Operations’ adjusted operating margin at the midpoint of the range is now 8.6%, which reflects continued pressure from the current inflationary environment including the recent surge in energy prices.
- Our adjusted tax rate for fiscal 2022 is 24.2%
- Adjusted diluted earnings per share is now expected to be between \$6.80 and \$7.00.
- Guidance does not include the impact of any future share buybacks or potential tax reform.
- Guidance assumes a stable economic environment with no pandemic-related headwinds.”

See “Reconciliation of GAAP to Non-GAAP Financial Measures” below.

## Conference Call Information

UniFirst Corporation will hold a conference call today at 9:00 a.m. (ET) to discuss its quarterly financial results, business highlights and outlook. A simultaneous live webcast of the call will be available over the Internet and can be accessed at [www.unifirst.com](http://www.unifirst.com).

## About UniFirst Corporation

Headquartered in Wilmington, Mass., UniFirst Corporation (NYSE: UNF) is a North American leader in the supply and servicing of uniform and workwear programs, as well as the delivery of facility service programs. Together with its subsidiaries, the Company also provides first aid and safety products, and manages specialized garment programs for the cleanroom and nuclear industries. UniFirst manufactures its own branded workwear, protective clothing, and floorcare products; and with 260 service locations, over 300,000 customer locations, and 14,000-plus employee Team Partners, the Company outfits nearly 2 million workers each business day. For more information, contact UniFirst at 800.455.7654 or visit UniFirst.com.

## Forward-Looking Statements Disclosure

This public announcement contains forward-looking statements within the meaning of the federal securities laws that reflect the Company’s current views with respect to future events and financial performance, including projected revenues, operating margin and earnings per share. Forward-looking statements contained in this public announcement are subject to the safe harbor created by the Private Securities Litigation Reform Act of 1995 and may be identified by words such as “guidance,” “outlook,” “estimates,” “anticipates,” “projects,” “plans,” “expects,” “intends,” “believes,” “seeks,” “could,” “should,” “may,” “will,” “strategy,” “objective,” “assume,” “strive,” or the negative versions thereof, and similar expressions and by the context in which they are used. Such forward-looking statements are based upon our current expectations and speak only as of the date made. Such statements are highly dependent upon a variety of risks, uncertainties and other important factors that could cause actual results to differ materially from those reflected in such forward-looking statements. Such factors include, but are not limited to, uncertainties caused by adverse economic conditions, including, without limitation, as a result of significant increases in inflation or extraordinary events or circumstances such as geopolitical conflicts like the conflict between Russia and Ukraine or the COVID-19 pandemic, and their impact on our customers’ businesses and workforce levels, disruptions of our business and operations, including limitations on, or closures of, our facilities, or the business and operations of our customers or suppliers in connection with extraordinary events or circumstances such as the COVID-19 pandemic, uncertainties regarding our ability to consummate and successfully integrate acquired businesses, uncertainties regarding any existing or newly-discovered expenses and liabilities related to environmental compliance and remediation, any adverse outcome of pending or future contingencies or claims, our ability to compete successfully without any significant degradation in our margin rates, seasonal and quarterly fluctuations in business levels, our ability to preserve positive labor relationships and avoid becoming the target of corporate labor unionization campaigns that could disrupt our business, the effect of currency fluctuations on our results of operations and financial condition, our dependence on third parties to supply us with raw materials, which such supply could be severely disrupted as a result of extraordinary events or circumstances such as the COVID-19 pandemic, any loss of key management or other personnel, increased costs as a result of any changes in federal or state laws, rules and regulations or governmental interpretation of such laws, rules and regulations, uncertainties regarding, or adverse impacts from increases in, the price levels of natural gas, electricity, fuel and labor, the negative effect on our business from sharply depressed oil and natural gas prices, including, without limitation, as a result of extraordinary events or circumstances such as the COVID-19 pandemic, the continuing increase in domestic healthcare costs, increased workers’ compensation claim costs, increased healthcare claim costs, including as a result of extraordinary events or circumstances such as the

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COVID-19 pandemic, our ability to retain and grow our customer base, demand and prices for our products and services, fluctuations in our Specialty Garments business, political instability, supply chain disruption or infection among our employees in Mexico and Nicaragua where our principal garment manufacturing plants are located, including, without limitation, as a result of extraordinary events or circumstances such as the COVID-19 pandemic, our ability to properly and efficiently design, construct, implement and operate a new customer relationship management computer system, interruptions or failures of our information technology systems, including as a result of cyber-attacks, additional professional and internal costs necessary for compliance with any changes in or additional Securities and Exchange Commission, New York Stock Exchange, accounting or other rules, including, without limitation, recent rules proposed by the Securities and Exchange Commission regarding climate-related and cybersecurity-related disclosures, strikes and unemployment levels, our efforts to evaluate and potentially reduce internal costs, economic and other developments associated with the war on terrorism and its impact on the economy, the impact of foreign trade policies and tariffs or other impositions on imported goods on our business, results of operations and financial condition, general economic conditions, our ability to successfully implement our business strategies and processes, including our capital allocation strategies and the other factors described under “Part I, Item 1A. Risk Factors” and elsewhere in our Annual Report on Form 10-K for the year ended August 28, 2021, “Part II, Item 1.A. Risk Factors” and elsewhere in our subsequent Quarterly Reports on Form 10-Q and in our other filings with the Securities and Exchange Commission. We undertake no obligation to update any forward-looking statements to reflect events or circumstances arising after the date on which they are made.

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**Consolidated Statements of Income**  
**(Unaudited)**

| (In thousands, except per share data)                 | Thirteen weeks ended<br>February 26, 2022 | Thirteen weeks ended<br>February 27, 2021 | Twenty-six weeks ended<br>February 26, 2022 | Twenty-six weeks ended<br>February 27, 2021 |
|---|---|---|---|---|
| Revenues  | \$ 486,696                                | \$ 449,764                                | \$ 972,860                                  | \$ 896,617                                  |
| <b>Operating expenses:</b>                            |   |   |   |   |
| Cost of revenues (1)                                  | 324,816                                   | 289,455                                   | 634,946                                     | 565,255                                     |
| Selling and administrative expenses (1)               | 112,406                                   | 93,329                                    | 216,794                                     | 182,032                                     |
| Depreciation and amortization                         | 26,861                                    | 26,287                                    | 53,717                                      | 52,595                                      |
| Total operating expenses                              | <u>464,083</u>                            | <u>409,071</u>                            | <u>905,457</u>                              | <u>799,882</u>                              |
| Operating income                                      | <u>22,613</u>                             | <u>40,693</u>                             | <u>67,403</u>                               | <u>96,735</u>                               |
| <b>Other (income) expense:</b>                        |   |   |   |   |
| Interest income, net                                  | (751)                                     | (863)                                     | (1,399)                                     | (1,431)                                     |
| Other (income) expense, net                           | 594                                       | (584)                                     | 1,330                                       | 165   |
| Total other income, net                               | <u>(157)</u>                              | <u>(1,447)</u>                            | <u>(69)</u>                                 | <u>(1,266)</u>                              |
| Income before income taxes                            | 22,770                                    | 42,140                                    | 67,472                                      | 98,001                                      |
| Provision for income taxes                            | <u>4,319</u>                              | <u>9,555</u>                              | <u>15,316</u>                               | <u>23,520</u>                               |
| Net income  | <u>\$ 18,451</u>                          | <u>\$ 32,585</u>                          | <u>\$ 52,156</u>                            | <u>\$ 74,481</u>                            |
| <b>Income per share – Basic:</b>                      |   |   |   |   |
| Common Stock  | \$ 1.02                                   | \$ 1.80                                   | \$ 2.88                                     | \$ 4.10                                     |
| Class B Common Stock                                  | \$ 0.81                                   | \$ 1.44                                   | \$ 2.30                                     | \$ 3.28                                     |
| <b>Income per share – Diluted:</b>                    |   |   |   |   |
| Common Stock  | \$ 0.97                                   | \$ 1.71                                   | \$ 2.75                                     | \$ 3.91                                     |
| <b>Income allocated to – Basic:</b>                   |   |   |   |   |
| Common Stock  | \$ 15,492                                 | \$ 27,349                                 | \$ 43,792                                   | \$ 62,520                                   |
| Class B Common Stock                                  | \$ 2,959                                  | \$ 5,236                                  | \$ 8,364                                    | \$ 11,961                                   |
| <b>Income allocated to – Diluted:</b>                 |   |   |   |   |
| Common Stock  | \$ 18,451                                 | \$ 32,585                                 | \$ 52,156                                   | \$ 74,481                                   |
| <b>Weighted average shares outstanding – Basic:</b>   |   |   |   |   |
| Common Stock  | 15,210                                    | 15,223                                    | 15,225                                      | 15,235                                      |
| Class B Common Stock                                  | 3,635                                     | 3,643                                     | 3,635                                       | 3,643                                       |
| <b>Weighted average shares outstanding – Diluted:</b> |   |   |   |   |
| Common Stock  | 18,967                                    | 19,037                                    | 18,999                                      | 19,032                                      |

(1) Exclusive of depreciation on the Company's property, plant and equipment and amortization on its intangible assets.

**Condensed Consolidated Balance Sheets**  
**(Unaudited)**

| <b>(In thousands)</b>                               | <b>February 26, 2022</b> | <b>August 28, 2021</b> |
|---|--------------------------|------------------------|
| <b>Assets</b>                                       |                          |                        |
| Current assets:                                     |                          |                        |
| Cash, cash equivalents and short-term investments   | \$ 425,887               | \$ 512,868             |
| Receivables, net                                    | 237,237                  | 208,331                |
| Inventories   | 160,835                  | 143,591                |
| Rental merchandise in service                       | 196,690                  | 181,531                |
| Prepaid taxes                                       | 9,475                    | 16,580                 |
| Prepaid expenses and other current assets           | 48,743                   | 40,891                 |
| <b>Total current assets</b>                         | <b>1,078,867</b>         | <b>1,103,792</b>       |
| Property, plant and equipment, net                  | 627,924                  | 617,719                |
| Goodwill  | 457,718                  | 429,538                |
| Customer contracts and other intangible assets, net | 90,221                   | 84,638                 |
| Deferred income taxes                               | 565                      | 580                    |
| Operating lease right-of-use assets, net            | 51,237                   | 42,115                 |
| Other assets  | 106,064                  | 102,683                |
| <b>Total assets</b>                                 | <b>\$ 2,412,596</b>      | <b>\$ 2,381,065</b>    |
| <b>Liabilities and shareholders' equity</b>         |                          |                        |
| Current liabilities:                                |                          |                        |
| Accounts payable                                    | \$ 84,517                | \$ 81,356              |
| Accrued liabilities                                 | 151,743                  | 159,578                |
| Accrued taxes                                       | —                        | 743                    |
| Operating lease liabilities, current                | 13,791                   | 12,993                 |
| <b>Total current liabilities</b>                    | <b>250,051</b>           | <b>254,670</b>         |
| Long-term liabilities:                              |                          |                        |
| Accrued liabilities                                 | 134,263                  | 134,085                |
| Accrued and deferred income taxes                   | 90,284                   | 89,177                 |
| Operating lease liabilities                         | 39,023                   | 30,181                 |
| <b>Total liabilities</b>                            | <b>513,621</b>           | <b>508,113</b>         |
| Shareholders' equity:                               |                          |                        |
| Common Stock  | 1,521                    | 1,524                  |
| Class B Common Stock                                | 363                      | 364                    |
| Capital surplus                                     | 90,006                   | 89,257                 |
| Retained earnings                                   | 1,833,579                | 1,806,643              |
| Accumulated other comprehensive loss                | (26,494)                 | (24,836)               |
| <b>Total shareholders' equity</b>                   | <b>1,898,975</b>         | <b>1,872,952</b>       |
| <b>Total liabilities and shareholders' equity</b>   | <b>\$ 2,412,596</b>      | <b>\$ 2,381,065</b>    |



**Detail of Operating Results**  
(Unaudited)

**Revenues**

| (In thousands, except percentages) | Thirteen weeks ended February<br>26, 2022 | Thirteen weeks ended February<br>27, 2021 | Dollar<br>Change | Percent<br>Change |
|------------------------------------|---|---|------------------|-------------------|
| Core Laundry Operations            | \$ 433,056                                | \$ 398,235                                | 34,821           | 8.7%              |
| Specialty Garments                 | 35,538                                    | 35,222                                    | 316              | 0.9%              |
| First Aid                          | 18,102                                    | 16,307                                    | 1,795            | 11.0%             |
| Consolidated total                 | <u>\$ 486,696</u>                         | <u>\$ 449,764</u>                         | <u>\$ 36,932</u> | 8.2%              |

| (In thousands, except percentages) | Twenty-six weeks ended<br>February 26, 2022 | Twenty-six weeks ended<br>February 27, 2021 | Dollar<br>Change | Percent<br>Change |
|------------------------------------|---|---|------------------|-------------------|
| Core Laundry Operations            | \$ 861,902                                  | \$ 791,425                                  | \$ 70,477        | 8.9%              |
| Specialty Garments                 | 75,022                                      | 73,356                                      | 1,666            | 2.3%              |
| First Aid                          | 35,936                                      | 31,836                                      | 4,100            | 12.9%             |
| Consolidated total                 | <u>\$ 972,860</u>                           | <u>\$ 896,617</u>                           | <u>\$ 76,243</u> | 8.5%              |

**Operating Income**

| (In thousands, except percentages) | Thirteen weeks ended February<br>26, 2022 | Thirteen weeks ended February<br>27, 2021 | Dollar<br>Change   | Percent<br>Change |
|------------------------------------|---|---|--------------------|-------------------|
| Core Laundry Operations            | \$ 18,745                                 | \$ 35,366                                 | \$ (16,621)        | (47.0)%           |
| Specialty Garments                 | 3,850                                     | 5,234                                     | (1,384)            | (26.4)%           |
| First Aid                          | 18  | 93  | (75)               | (80.6)%           |
| Consolidated total                 | <u>\$ 22,613</u>                          | <u>\$ 40,693</u>                          | <u>\$ (18,080)</u> | (44.4)%           |

| (In thousands, except percentages) | Twenty-six weeks ended<br>February 26, 2022 | Twenty-six weeks ended<br>February 27, 2021 | Dollar<br>Change   | Percent<br>Change |
|------------------------------------|---|---|--------------------|-------------------|
| Core Laundry Operations            | \$ 55,252                                   | \$ 84,236                                   | \$ (28,984)        | (34.4)%           |
| Specialty Garments                 | 12,479                                      | 12,393                                      | 86                 | 0.7%              |
| First Aid                          | (328)                                       | 106   | (434)              | (409.4)%          |
| Consolidated total                 | <u>\$ 67,403</u>                            | <u>\$ 96,735</u>                            | <u>\$ (29,332)</u> | (30.3)%           |

**Operating Margin**

|                         | Thirteen weeks ended February 26, 2022 | Thirteen weeks ended February 27, 2021 |
|-------------------------|--|--|
| Core Laundry Operations | 4.3%                                   | 8.9%                                   |
| Specialty Garments      | 10.8%                                  | 14.9%                                  |
| First Aid               | 0.1%                                   | 0.6%                                   |
| Consolidated total      | 4.6%                                   | 9.0%                                   |

|                         | Twenty-six weeks ended February 26, 2022 | Twenty-six weeks ended February 27, 2021 |
|-------------------------|--|--|
| Core Laundry Operations | 6.4%                                     | 10.6%                                    |
| Specialty Garments      | 16.6%                                    | 16.9%                                    |
| First Aid               | (0.9)%                                   | 0.3%                                     |
| Consolidated total      | 6.9%                                     | 10.8%                                    |

**Consolidated Statements of Cash Flows**  
**(Unaudited)**

| <u>(In thousands)</u>  | <u>Twenty-six weeks ended February<br/>26, 2022</u> | <u>Twenty-six weeks ended February<br/>27, 2021</u> |
|--|---|---|
| <b>Cash flows from operating activities:</b>   |   |   |
| Net income   | \$ 52,156   | \$ 74,481   |
| <b>Adjustments to reconcile net income to cash provided by operating activities:</b> |   |   |
| Depreciation and amortization  | 53,717  | 52,595  |
| Amortization of deferred financing costs   | 82  | 56  |
| Share-based compensation   | 4,961   | 3,266   |
| Accretion on environmental contingencies   | 298   | 224   |
| Accretion on asset retirement obligations  | 491   | 492   |
| Deferred income taxes  | 1,733   | 847   |
| Other  | (6)   | 19  |
| <b>Changes in assets and liabilities, net of acquisitions:</b>                       |   |   |
| Receivables, less reserves   | (27,855)  | (12,511)  |
| Inventories  | (17,189)  | (4,287)   |
| Rental merchandise in service  | (13,317)  | (338)   |
| Prepaid expenses and other current assets and Other assets                           | (3,926)   | 2,267   |
| Accounts payable   | 5,357   | (1,923)   |
| Accrued liabilities  | (16,928)  | 11,460  |
| Prepaid and accrued income taxes   | 5,319   | 1,368   |
| <b>Net cash provided by operating activities</b>                                     | <b>44,893</b>                                       | <b>128,016</b>                                      |
| <b>Cash flows from investing activities:</b>   |   |   |
| Acquisition of businesses, net of cash acquired                                      | (42,325)  | (7,018)   |
| Capital expenditures, including capitalization of software costs                     | (60,178)  | (66,855)  |
| Proceeds from sale of assets   | 27  | 281   |
| <b>Net cash used in investing activities</b>   | <b>(102,476)</b>                                    | <b>(73,592)</b>                                     |
| <b>Cash flows from financing activities:</b>   |   |   |
| Proceeds from exercise of share-based awards   | 3   | 3   |
| Taxes withheld and paid related to net share settlement of equity awards             | (3,803)   | (2,643)   |
| Repurchase of Common Stock   | (14,766)  | (9,534)   |
| Payment of cash dividends  | (9,976)   | (9,069)   |
| <b>Net cash used in financing activities</b>   | <b>(28,542)</b>                                     | <b>(21,243)</b>                                     |
| Effect of exchange rate changes  | (856)   | 1,544   |
| <b>Net increase (decrease) in cash, cash equivalents and short-term investments</b>  | <b>(86,981)</b>                                     | <b>34,725</b>                                       |
| Cash, cash equivalents and short-term investments at beginning of period             | 512,868   | 474,838   |
| <b>Cash, cash equivalents and short-term investments at end of period</b>            | <b>\$ 425,887</b>                                   | <b>\$ 509,563</b>                                   |

## Reconciliation of GAAP to Non-GAAP Financial Measures

The Company reports its consolidated financial results in accordance with generally accepted accounting principles (“GAAP”). To supplement these consolidated financial results, management believes that certain non-GAAP operating results provide a useful measure on which to evaluate and compare the Company’s results of operations for the periods presented. The Company believes these non-GAAP results provide useful supplemental information regarding the Company’s performance to both management and investors by excluding certain non-recurring amounts that impact the comparability of the results. A supplemental reconciliation of the Company’s consolidated operating income, consolidated net income and diluted earnings per share (“EPS”) on a GAAP basis to adjusted operating income, adjusted net income and adjusted diluted EPS on a non-GAAP basis is presented in the following table. In addition, Core Laundry Operations’ operating income and operating margin on a GAAP basis to adjusted operating income and adjusted operating margin on a non-GAAP basis is also presented in the following table. Investors are encouraged to review the reconciliation of these non-GAAP measures to their most directly comparable GAAP financial measures, which are provided below.

| (In thousands, except percentages) | Thirteen weeks ended February 26, 2022 |                  |            |             |                         |                  |                  |
|------------------------------------|--|------------------|------------|-------------|-------------------------|------------------|------------------|
|                                    | Consolidated                           |                  |            |             | Core Laundry Operations |                  |                  |
|                                    | Revenue                                | Operating Income | Net Income | Diluted EPS | Revenue                 | Operating Income | Operating Margin |
| As reported                        | \$ 486,696                             | \$ 22,613        | \$ 18,451  | \$ 0.97     | \$ 433,056              | \$ 18,745        | 4.3%             |
| Key Initiatives                    | —                                      | 6,739            | 5,080      | 0.27        | —                       | 6,739            | 1.6%             |
| As adjusted                        | \$ 486,696                             | \$ 29,352        | \$ 23,531  | \$ 1.24     | \$ 433,056              | \$ 25,484        | 5.9%             |

| (In thousands, except percentages) | Twenty-six weeks ended February 26, 2022 |                  |            |             |                         |                  |                  |
|------------------------------------|--|------------------|------------|-------------|-------------------------|------------------|------------------|
|                                    | Consolidated                             |                  |            |             | Core Laundry Operations |                  |                  |
|                                    | Revenue                                  | Operating Income | Net Income | Diluted EPS | Revenue                 | Operating Income | Operating Margin |
| As reported                        | \$ 972,860                               | \$ 67,403        | \$ 52,156  | \$ 2.75     | \$ 861,902              | \$ 55,252        | 6.4%             |
| Key Initiatives                    | —  | 12,661           | 9,543      | 0.50        | —                       | 12,661           | 1.5%             |
| As adjusted                        | \$ 972,860                               | \$ 80,064        | \$ 61,699  | \$ 3.25     | \$ 861,902              | \$ 67,913        | 7.9%             |

Supplemental reconciliations of the Company’s fiscal 2022 financial outlook for consolidated operating income, consolidated net income, diluted earnings per share and operating margin on a GAAP basis to adjusted operating income, adjusted net income, adjusted diluted EPS and adjusted operating margin on a non-GAAP basis are presented in the following tables. In addition, a supplemental reconciliation of the fiscal 2022 financial outlook for Core Laundry Operations’ operating income and operating margin on a GAAP basis to adjusted operating income and adjusted operating margin on a non-GAAP basis is also presented in the following table. Investors are encouraged to review the reconciliation of the outlook for these non-GAAP measures to the outlook for their most directly comparable GAAP financial measures, which are provided below. The Company’s outlook contains forward-looking statements and information. Actual results may differ materially. See “Forward-Looking Statements Disclosure.”

| (In thousands, except percentages and per share amounts) | Fifty-two weeks ended August 27, 2022 |                      |              |                            |                      |              |
|--|---------------------------------------|----------------------|--------------|----------------------------|----------------------|--------------|
|  | Consolidated                          |                      |              | Core Laundry Operations    |                      |              |
|  | Guidance - at the midpoint            | Key Initiative Costs | Adjusted     | Guidance - at the midpoint | Key Initiative Costs | Adjusted     |
| Revenues   | \$ 1,973,500                          | \$ —                 | \$ 1,973,500 | \$ 1,753,500               | \$ -                 | \$ 1,753,500 |
| Operating income   | 142,275                               | 30,000               | 172,275      | \$ 121,400                 | \$ 30,000            | \$ 151,400   |
| Operating margin   | 7.2%                                  | 1.5%                 | 8.7%         | 6.9%                       | 1.7%                 | 8.6%         |
| Income before income taxes                               | 143,075                               | 30,000               | 173,075      |                            |                      |              |
| Provision for income taxes                               | 34,338                                | 7,581                | 41,919       |                            |                      |              |
| Net income   | \$ 108,737                            | \$ 22,419            | \$ 131,156   |                            |                      |              |
| Effective tax rate                                       | 24.0%                                 | 25.3%                | 24.2%        |                            |                      |              |
| Diluted earnings per share:                              |                                       | Key Initiative Costs | Adjusted     |                            |                      |              |
| Low  | \$ 5.62                               | \$ 1.18              | \$ 6.80      |                            |                      |              |
| High   | \$ 5.82                               | \$ 1.18              | \$ 7.00      |                            |                      |              |